

# *The* NATIONAL UNDERWRITER

## BLOCK OUT *This* SHADOW



—and make firm friends

Sell him peace of mind that comes with the protection of a CENTRAL SURETY

### **Blanket FIDELITY BOND**

In this time of unrest, every employer needs protection against defalcations, small and large, which result from the universal urge for "more money."

Records show that most losses come through ordinarily normal, honest employees who yield to pressing temptations.



**CENTRAL SURETY AND INSURANCE CORPORATION**

HOME OFFICE KANSAS CITY, MISSOURI

R. E. McGINNIS, President

SAN FRANCISCO

• CHICAGO

• NEW YORK

INDIANA AGENTS CONVENTION

THURSDAY, OCTOBER 24, 1946

# PUBLIC RELATIONS IS WHAT PEOPLE THINK ABOUT YOU AND YOUR WAY OF DOING BUSINESS

There my merchandise and building were—in ruins!



DEMAREE & COMPANY  
FURNITURE - STOVES  
LEBANON JUNCTION, KENTUCKY

December 18, 1945

The Continental Insurance Co.  
135 South LaSalle Street  
Chicago, Illinois

Gentlemen:

In this busy world we often forget to express our appreciation for the things in life that we seem to take for granted.

Less than two months ago, when my store burned, I must admit that I felt rather bewildered. The best selling season of the year was fast approaching and there my merchandise and building were in ruins.

And this is where "Continental" and your most capable representatives came into the picture. Mr. J. E. Newton was called and he came at once and gave me instructions as to how I should proceed. This we did.

He has handled everything to my complete satisfaction and I feel that it is due both Mr. Newton and the company he represents to say "I thank you", from the bottom of my heart.

My store is now back in operation for the Christmas business, due to the fact that Mr. Newton was so prompt in taking care of everything.

I have only praise for "Continental", and I wish each and every one of you a very Merry Christmas and continued prosperity in the New Year.

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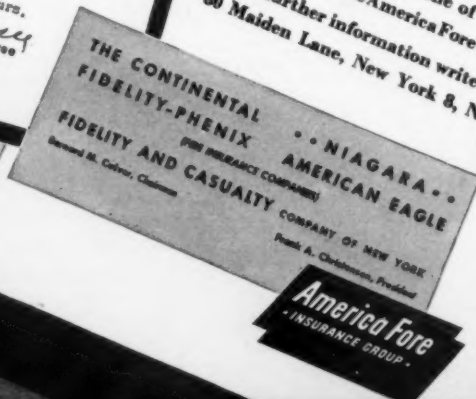
Very truly yours,  
*L. H. Demaree*  
L. H. Demaree

Two vital points which every purchaser of insurance should keep in mind are demonstrated in this letter. They are:

- 1—Have a competent agent or broker handle your insurance.
- 2—Insure in a company whose integrity, strength and service guarantee prompt and satisfactory payment of all just claims.

You can cover the first point by contacting an America Fore agent in your locality. You can cover the second with a policy in any one of the five companies of the America Fore Group.

For further information write us at 80 Maiden Lane, New York 8, N. Y.



THIS ADVERTISEMENT APPEARING in national magazines during the month of November, features one of the many testimonials received by us expressing gratification with the services rendered by America Fore Agents and America Fore Companies.

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## N. J. Agents Vote for Paid Secretary and Dues Increase

### Elect J. C. Conklin of Hackensack President at Annual Meeting

#### NEW OFFICERS ELECTED

President—John C. Conklin, Hackensack.  
Chairman executive committee—Alfred C. Sinn, Clifton.  
State national director — H. L. Brooks, Bloomfield.  
Secretary—Charles J. Unger, Jersey City.

Members of the executive committee—Wesley R. Braunsdorf, Westfield; Charles H. Frankenbach, Westfield; Thomas L. Glenn, Atlantic City; J. C. Madara, Camden; H. Earl Munz, Paterson; Walter Reid, Allenhurst; and Russell E. Stevens, Newark.

#### By ROBERT B. MITCHELL

The New Jersey Assn. of Insurance Agents decided unanimously at its annual meeting at Atlantic City to employ a permanent, paid, full-time secretary and staff, to be located at Newark, and to raise the dues from 25 to 100% to finance the added cost. Since the change in the dues scale necessitates a constitutional amendment a special meeting of the membership will have to be called, on 30 days' notice, probably being held late in November or early December.

In accordance with its custom the association elected John C. Conklin of Hackensack, chairman of the executive committee, as president, succeeding Charles H. Frankenbach of Westfield, and put A. C. Sinn of Clifton in line for the presidency by electing him executive committee chairman.

About 500 were present, including company representatives.

#### Zimmerman Explains Plan

A. L. Zimmerman of T. C. Moffat & Co., Newark, chairman of the reorganization committee, made a comprehensive and workmanlike report on the proposed new setup and then answered all the questions put to him by members. He presented a complete budget based on the new scale of dues, which indicated that even with the salaries of the secretary and staff and office rent the association would still be within its income.

Mr. Zimmerman not only made a complete presentation of the proposed plan but he effectively drove home the point that the work of the association has reached such proportions that it can no longer be left entirely to the efforts of volunteer workers. To remind his hearers of the heavy burden borne by association officers he read in full the editorial in the Oct. 10 issue of THE NATIONAL UNDERWRITER entitled "A Word for Association Officers."

#### New Jersey Fifth in Size

Pointing out that the New Jersey association, with a membership of 1,013, is fifth in membership among all state associations, Mr. Zimmerman said that 26 state associations now have paid secretaries. Only six states have a lower

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## GIVE TOTALS FOR FIRST 25

# How Big Cities Rank on Premiums of Their Insurers

THE NATIONAL UNDERWRITER statistical department has been keeping its adding machines humming in a study to develop the relative standing of cities in respect of premium income received by the insurance organizations within their confines. In the table below are shown the results—the totals and position of the first 25 cities, ranging from New York with \$2,771,913,317 to Seattle with \$50,309,747.

The totals for each city are shown according to type of insurance organization. The U. S. head offices of foreign fire and casualty companies are counted as domestic companies in the cities in which they are located.

The savings banks at Hartford, New York, and Boston are included insofar as their life insurance operations are concerned.

On the fraternal societies the net amount received from members is included rather than the net premiums. For the factory mutuals at Boston, Providence, Philadelphia, and Chicago the net deposits received are included. Farm mutual fire companies are excluded in all cities. Hospitalization includes Blue Cross and other companies writing hospitalization only.

The premiums of state funds are omitted.

The total comes close to embracing the total annual premium income in 1945 of all types of insurance organizations that have headquarters in the 25 cities.

#### NEW YORK CITY—1

Stock Fire .....	\$ 551,253,118
Mutual Fire .....	17,944,760
Stock Casualty .....	217,351,269
Mutual Casualty .....	19,040,983
Reciprocal & Lloyds ....	2,593,412
Acc. & Health .....	84,019,819
Hospitalization .....	17,290,308
Life .....	1,857,792,226
Fraternal .....	4,627,422

Total .....\$2,771,913,317

#### NEWARK—2

Stock Fire .....	\$ 60,660,372
Stock Casualty .....	26,707,399
Acc. & Health .....	13,385,680
Hospitalization .....	6,175,261
Life .....	898,490,067

Total .....\$1,005,418,779

#### HARTFORD—3

Stock Fire .....	\$ 230,755,046
Mutual Fire .....	363,067
Stock Casualty .....	290,177,903
Acc. & Health .....	11,912,608
Life .....	426,422,880

Total .....\$ 959,631,504

#### BOSTON—4

Stock Fire .....	\$ 15,178,314
Mutual Fire .....	26,300,078
Stock Casualty .....	62,363,960
Mutual Casualty .....	114,050,681
Acc. & Health .....	17,150,884
Hospitalization .....	8,565,270
Life .....	380,713,276
Fraternal .....	3,791,352

Total .....\$ 628,113,815

#### PHILADELPHIA—5

Stock Fire .....	\$ 72,626,497
Mutual Fire .....	4,977,849
Stock Casualty .....	63,213,546
Mutual Casualty .....	280,513
Reciprocal .....	232,813
Acc. & Health .....	5,725,301
Hospitalization .....	6,649,407
Life .....	147,016,195
Fraternal .....	2,588,371

Total .....\$ 303,310,492

#### CHICAGO—6

Stock Fire .....	\$ 9,525,230
Mutual Fire .....	8,665,370
Stock Casualty .....	86,330,857

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## Laying Plans for N.A.I.A. Okla. Sessions



#### MAKING PLANS FOR N.A.I.A. 1947 MID-YEAR CONVENTION AT OKLAHOMA CITY:

From left, John W. Bowers, Enid, state national director Oklahoma association and chairman National association membership committee; Fred F. Fox, Oklahoma City, vice-president Oklahoma association, general chairman 1947 mid-year convention; Geo. DuR. Fairleigh, treasurer and assistant secretary N.A.I.A. discussing plans for the meeting at Oklahoma City, April 23-25, 1947.

The executive committee will meet April 19-20; national board of state directors April 21-22, convention proper April 23-25.

## Model Bills Are Condemned by Maine Agents

### Commissioner Perkins Leads Discussion—Agrees to Several Modifications

POLAND SPRINGS, ME. — Rate regulatory bills stirred lively discussion at the unusually well-attended annual meeting of the Maine Assn. of Insurance Agents here. Commissioner Perkins told the agents that he is not trying to have the all-industry bills passed "as is," and the trend of discussion indicated that in their final form the Maine bills will follow the all-industry framework but will allow considerably more freedom for stock companies and their agents to meet mutual competition than is provided in the all-industry drafts.



A. W. Perkins

Several agents, mostly from Portland, sharply criticized the all-industry bills as a menace to the future of the agency system in the brief free-for-all discussion, in which Mr. Perkins acted as interlocutor. Nobody had a good word to say for the all-industry bills in their present form, and while the commissioner answered some of the stronger criticisms of the bills, he indicated his willingness to agree to changes sought by the agents.

#### N.A.I.A. Keeps Hands Off

Robert S. Perkins of Manchester, N. H., N.A.I.A. executive committeeman, spoke briefly on the subject of rate regulation, making it clear that the N.A.I.A. stand on the all-industry bills still left each state association free to act as its members felt best.

Attendance reached a peak of 265 at the banquet. P. J. Julien, Waterville, was reelected president. Howard Kyes, Wilton, first vice-president, and J. N. Glidden, Damariscotta, 2d vice-president, were reelected. J. C. Milliken, Cherryfield, was elected 3d vice-president.

E. S. Paul, Auburn, national state director, and A. B. Stevenson Jr., Camden, secretary, were reelected. B. H. Brown, Houlton, and G. A. Wentworth, Skowhegan, were reelected to three-year terms on the executive committee.

One session featured four open forums, with the following discussion leaders: Howard Kyes, Wilton, "Accounting for the Small Agent and Agency;" John Connors, claims attorney Merchants Mutual Casualty, Portland, "Proper Handling and Reporting of Casualty Claims;" E. S. Ricker, manager American Surety, Boston, "Contract Bonds;" and P. M. Winchester, manager F. C. A. B., New York, "Values Today."

#### Insurable Value Discussion

Mr. Winchester stirred up the most discussion, but at the end of it opinions still varied widely on what constitutes insurable value in today's market. Mr. Winchester maintained that the old rule of replacement cost less depreciation still applies, but several agents felt that today's abnormal market values require

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## Mutual Agents Back All-Industry Rate Law Proposals

### Adjustment Panel Popular Feature at New York Finale

The National Assn. of Mutual Insurance Agents, at the closing session of its convention in New York last week, gave its unqualified support to the rating laws proposed by the all-industry committee. The resolution was offered after C. M. Smith, Chicago, vice-president and counsel Lumbermen's Mutual Casualty, wound up the speaking program with a spirited defense of the proposals.

The convention closed with a dinner at which Sam Chandler, Macon, Ga., was formally installed as president, succeeding W. Emmert Swigart, Huntingdon, Pa. Earlier in the day there were two lively forms, one on loss adjustments led by Gordon Davis, Chicago, manager American Mutual Alliance loss research division, and one on the services of Improved Risk Mutuals on large lines, conducted by H. F. Russell, New York, general manager.

#### Honor C.P.C.U.'s

The mutual agents conducted a short ceremony in honor of members who have attained the C.P.C.U. designation. B. F. Thompson, New Haven, past president of the association, and H. H. Murray, Jr., Raleigh, newly elected vice-president, the representatives of the association on the board of the American Institute for Property & Liability Underwriters, were chairman and vice-chairman respectively. Dr. H. J. Loman, Philadelphia, dean of the institute, spoke briefly and the C.P.C.U.'s present were introduced. They were A. J. Wohlreich, Newark, national C.P.C.U. president and one of the first six to receive the designation; E. A. Teaf, Philadelphia, also one of the first group; B. G. Sager, Cleveland, a new vice-president of the agents association; Isabel Geisler, Gloversville, N. Y.; O. B. Sumner, Athens, Pa.; John Adam, Jr., Boston, manager Central Manufacturers Mutual, and C. M. Russell, Indianapolis, Farmers Mutual Liability. E. L. Warner, St. Louis, who is also a member of the association, was unable to attend the meeting.

At the dinner, citations for outstanding service were awarded to J. F. Minor, Charlottesville, Va., and J. C. McGee, Jackson, Miss., a vice-president of the association. Both were for their services in organization and pioneering the association. J. R. Chappell, Jr., Richmond, presented the citations. The new motion picture of American Mutual Alliance, "No Help Wanted," dealing with the employment of handicapped persons, was shown, with an introduction by J. M. Eaton, Chicago, assistant general manager.

#### Coinurance Problems

Mr. Davis' panel consisted of Prentiss B. Reed, prominent New York independent adjuster, A. T. Persson, Chicago, president Wagner & Glidden, and H. D. Heath, Chicago, vice-president Northwestern Mutual Fire. It was natural that the effects of current conditions on building costs should be foremost in the minds of everyone and there were a number of interesting points on the application of coinsurance discussed.

The question was raised as to a building which, under present conditions,

## At "Ad" Meeting



Snapped at the Atlantic City meeting of the Insurance Advertising Conference are John A. North, vice-president Phoenix of Hartford, left, who was a speaker, and T. W. Budlong, National Board, new president of the conference.

## Fireman's Fund Advances Miller; Ferguson Resigns

Arthur Miller has been appointed superintendent of the brokerage and service division in the western department of Fireman's Fund. He has been with that company since 1927 in various capacities, and most recently has been underwriting supervisor.

He takes the place of J. J. Ferguson, who has resigned. Mr. Ferguson has not announced his future plans. He is a fire insurance man of 32 years experience, having started with Hartford Fire in 1914. From 1920 to 1930 he was assistant manager of the Chicago and Cook county department of Northern Assurance and since 1930 had been with Fireman's Fund.

#### Barbour to Revise Text Book

R. P. Barbour, who just retired as U. S. manager of Northern Assurance, will revise his popular book "The Agents Key to Fire Insurance" which is in the nature of a textbook. His personal headquarters will remain in the New York head office at 35 William street.

cannot be repaired or replaced for a long time, such as a year, during which time prices have risen further. Mr. Reed said that law and equity appear to differ here. The coinsurance clause applies as of the time of loss, so, if the amount of insurance is adequate to cover values at that time, the insured will not be penalized, although the company will have to adjust the loss on the basis of the increased values when construction or repairs can be started. All the panel agreed that the standard fire policies refer to repair or replacement within a reasonable time after a loss, so that any court would hold that the shortest time in which repairs can be started under current conditions must be a "reasonable time."

#### Bonuses for Labor

Discussing several other points of values and coinsurance, Mr. Reed said that adjusters and companies should "fight to put the loss dollar and the valuation dollar on the same basis," though nothing in the law books says so. Answering a question about payment of bonuses for labor, Mr. Persson said that such expenses would be covered in property damage losses if the insured could prove that there was no other way to get the work done. Asked about a case where the cost of manufacturing destroyed goods is more than the ceiling price, Mr. Heath said that it now seems well established that OPA ceilings do not control insurance settlements.

## Loss Carry-Back Saves Insurers Little on Taxes

Stating that insurance companies are likely to receive little or no benefit from the loss carry-back provisions of the internal revenue code, Paul D. Seghers, member of the committees on federal taxation of the American Institute of Accountants and of the New York State Society of Certified Public Accountants, a consultant in federal tax matters practicing in New York City, explained to the annual fall conference of Insurance Accountants Assn. at Endicott, N. Y., the special position of insurers in this matter.

Most industrial companies that experience net operating losses in 1946, he pointed out, will recover a substantial amount of these losses through tax refunds for the years 1944 and 1945. But a large part of the income of insurance companies is derived from exempt and partially exempt interest and dividends. In obtaining a tax refund on the carry-back of losses, certain income of this type is in effect made subject to full tax rates on the theory that the deduction should be limited to the so-called "economic loss" rather than the excess of allowable deductions over taxable income. The effect for insurance companies, in most cases, is greatly to reduce or entirely eliminate the deduction for carry-backs.

#### Forecast of Income Essential

In order to decide on the proper action with respect to the realization of capital gains or losses through sales of securities, Mr. Seghers continued, an insurance company must accurately forecast income before the close of the taxable year. The interrelations of the carry-back provisions and the capital gains provisions of the internal revenue code render such an estimate essential.

It is believed that many insurance companies will have unusually large underwriting loss this year, partially due to the effect of the increase in volume of current underwriting and also to adverse loss experience. With losses high, insurers should be especially concerned whether it is more advantageous to invoke operating loss carry-back provisions of the internal revenue code and realize losses on security sales or to forego the carry-back of losses and realize capital gains. In some instances it may be better to offset capital gains that have been realized to date by taking capital losses, whereas in other cases it will be better to realize the maximum amount of capital gains, and postpone realization of losses. The decision in such cases can only be made on basis of an accurate estimate of the amount of net income or loss and of capital gains and losses for the taxable year, and computations of the tax based on such estimate. Hence, timely action in this regard has dollar and cents value to every insurance company that anticipates a large underwriting loss this year.

#### Treasury Differs with Courts

Mr. Seghers also discussed the question of the effect of provisions for unearned premiums and losses, as shown in the annual convention statement, upon the determination of federal income tax liability. He reiterated the position which he stated at previous conventions that in the determination of taxable income of fire and casualty companies under section 204 of the internal revenue code, the commissioner has no authority to question the amount of provisions for unearned premiums, expenses or losses as shown in such annual statement. (Adjustment on account of expenses which, by their nature or because of other limitations such as those contained in Section 24 of the I.R.C., do not constitute allowable deductions under section 23 are, of course, necessary.) Mr. Seghers again stressed the fact that no form of accounting statement, other than the con-

vention statement, is given comparable recognition in determining taxable income and deductions for the purpose of the federal income tax.

This fact was fully recognized and given effect in the New Hampshire case (decided by the tax court in September, 1943 and affirmed by the U. S. circuit court of appeals in January, 1945). Despite the rule in this case, however, the treasury has amended the regulations, effective for 1944 and subsequent years, to provide that every insurance company must be prepared to establish the justification for the amount of the provision for losses incurred as shown in the annual convention statement which it uses as the basis of its computation of its income tax liability under section 204 of the internal revenue code.

## RECENT DECISION

The most recent decision of the tax court supporting the use of the reserve shown in the convention statement as that of the C.P.A. company (formerly Conductors Protection Association). Unfortunately, however, this decision appears to be based on the conclusion that the amount of the reserve is correctly determined, rather than upon the fact that Congress intended that the amounts shown in the annual convention statement should be accepted as correct for income tax purposes. The latter, however, was the grounds for the decision of both courts in favor of the taxpayer in the New Hampshire case.

#### Conflict in Interpretation

Mr. Seghers mentioned that some insurance companies were having difficulties because of the apparent conflict between the court's interpretation of this provision of the taxing statute and the attitude of the revenue agents that they have the power to question the correctness of such reserve provisions shown in the annual convention statement. He stressed his view that insurance companies are entitled to apply the provisions of section 204 as interpreted in the New Hampshire case.

Other subjects briefly mentioned or discussed by Mr. Seghers included war losses and war loss recoveries, recoveries of other items previously deducted, foreign exchange problems of insurance companies and the effect of the tax treaties between the United States and Canada, Great Britain and other countries.

## Agent Must Educate Self to Further Public Relations

Speaking at the insurance day convention of the Detroit Assn. of Insurance Agents, John R. Horn, public relations chairman in Detroit for Michigan Fire Underwriters Assn., said that to carry the true story and convey the romance and importance of the insurance business to the public, each agent must educate himself on factual information pertaining to the business. Field men can supply much of this information, he said, and the agent, in turn, can discuss what he has learned with friends and acquaintances. This informal passing on of information is important to insurance, he said.

Every agent knows of trade, luncheon, neighborhood and other groups looking for assistance in their programs. As soon as the M.F.U.A. program gets under way, the association will be able to furnish speakers on interesting topics related to the industry for such groups. Organizations should furnish consultants on matters pertaining to fire prevention, building construction or safety in industrial practice. The agent can find the proper consultant in the industry for any problem.



## CLEMENT MAKES APPEAL Urges Retailers to Fight Against Rating Bills

The committee on legislation of Risk Research Institute has issued and the institute has vigorously adopted a report condemning the all-industry rating bills as "economically unsound, extremely dangerous to the American business pattern, and seriously harmful to the public interest." William J. Fitzsimons, New York "Herald Tribune," president of the institute, called on business men in all parts of the country to prevent the property-casualty insurance business from becoming either "a private price-fixing system under state blessing" or "an anomaly of American business—privately owned, privately administered but under permanent government control such as this country has never known."

Individual members of the institute were urged to bring to the attention of business leaders in all parts of the country the dangers to free enterprise and to the public welfare inherent in the bills.

The committee report states that the clearly apparent aim of the bills is to exempt insurance, the biggest business in the country, from federal laws, by permitting insurers to fix prices in concert under state laws, a practice specifically prohibited under federal laws. The burden of procedures set up by the bills will further restrict and tend to destroy the already limited elements of competition among insurers, and the effect of the bills will be to give government excessive powers over the public's sources of insurance protection, the report charges.

W. W. Clement, executive secretary of Risk Research Institute, in addressing a meeting of the Metropolitan Controllers Assn. at New York, urged retailers to exert their influence to prevent enactment of the so-called model insurance rating bills.

"Will you permit the biggest business in the nation," he asked, "to exempt itself from laws which govern your business and all other business, or will you recognize the precedents, so dangerous for all business set by such legislation? If you want fair prices and fair practices from an insurance industry unfettered by too much law, if you want free enterprise in a free economy continued as the American pattern, you cannot remain silent in the face of these bills."

Another speaker was Milton M. Fritch, controller of Mangel Stores Corp., who outlined a "comprehensive one-package plan" of insurance developed by the army exchange service during the war. He contended that this plan had simplified insurance procedures and brought about economies totaling about \$1 million a year for the army. He expressed the hope that such contracts would be made available to the retail industry.

Mr. Fritch served as a colonel in the army exchange service during the war. The insurance was procurable, he declared, because of the war emergency, because the insurers were doing it for the army, and because of pressure put upon the underwriters. However, he said that after the first policy had been written, other insurers came forward to offer similar policies and he voiced the belief that if one retailer could get such a contract, other insurers might decide to make the same kind of coverage available. He said he is now negotiating to write such a policy for Mangel Stores.

Mr. Clement suggested developing rates through statistical bureaus rather than through "pools" as at present.

Referring to the attitude of many insurance executives and state insurance officials toward the model bills, Mr. Clement said, "They will say, as they have said time and again, that collective action in the compilation of statistics,

## Launch New Chicago Office in Brilliant Style

About 150 turned out for the cocktail party and sumptuous buffet at the Saddle & Cycle Club Tuesday to welcome Life Associates, Inc., into the field. Most distinguished guest was U. S. Senator C. Wayland Brooks. Life Associates is general agent for Continental Assurance.

The principal owners of Life Associates which has opened an office in the Insurance Exchange are W. T. Cline and L. W. Zonsius of the important



W. T. Cline



L. W. Zonsius

casualty general agency of Conkling, Price & Webb. Operating head of the agency is Jerome Miller. Already two big league agents have become affiliated with the office—Dick Hanley, former Northwestern University football coach and for a brief period coach of the Chicago "Rockets," and John Lehman, former amateur golf champion. Both were formerly with the Woody agency of Equitable Society.

The head office family of Continental Assurance was out in full force, including President Roy Tuckbreiter, First Vice-president Rollin Clark, Vice-president Howard Reeder and Agency Manager Marshall Simms.

The Conkling, Price & Webb agency was also well represented. There were a number of Chicago general agents on hand. Ralph Cannon, sports editor of the Chicago "American," was a guest. There were a number of bankers, lawyers and industrialists.

Conkling, Price & Webb heretofore in the life field has represented John Hancock Mutual.

in the study of actuarial data, in the determination of loss figures, in the calculation of rates, is a peculiar essential of insurance. They will say that it is impossible to insure the great enterprises of American commerce and industry, except through such collaborative underwriting as is now practiced in the so-called 'railroad pool,' 'oil pool,' 'cotton pool,' and similar arrangements—all illegal under the federal laws, in their present pattern. They will say that these model bills will permit such action under state supervision, and will, at the same time, enable the state to determine that rates are adequate, not excessive, and not unfairly discriminatory; that such laws will provide a legal framework within which competition can flourish—if underwriters desire to compete.

### Statistical Bureaus Recommended

"Since collective action in determining rates and rate levels appears to be both necessary and desirable, why not have independent, unsubsidized—non-profit, if you wish—statistical bureaus, licensed by the states, operated on fees charged for services rendered—why not such organizations collecting loss data from all underwriters and supplying loss rate or pure premium figures to all underwriters? To these loss rates each company could add its own expense loading, as necessity—or good management—determines it to be. Such a system would quickly show the commissioners rates developing more than a reasonable

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## Insurers Are Watching W. C., Particularly O. D.

NEW YORK—The companies are watching workmen's compensation closely. Losses are climbing, though the ratio is still on the safe side.

There is almost unanimous agreement in the insurance business that as soon as employment begins to taper off to any noticeable extent, losses will start pouring in. It is a question of when this will happen. One factor which may influence claims, but the effect of which underwriters are unable to measure because they have not met it in quite the form and intensity it has taken today, is the attitude of employees toward employers. The underwriters are worried. They expect it to stimulate the velocity of claims and to determine to some extent the character of those claims, but that is judgment in anticipation.

### Physical Examinations

Specifically, about all the companies can do and what they are doing is to check closely for any signs of occupational disease. Before the war, workers put in claims for silicosis and other disabilities of this type promptly. They were urged by their unions to do so. Conditions were such that there was no advantage in not doing so. This is not true today. High wages are a tremendous attraction. Workers are going to stay on the job as long as possible. However, when layoffs or the threats of layoffs approach, these claims will start coming in. They may date back for some time. The same thing is true with hernia.

The companies are getting x-rays and physicians' examinations on workers whenever they take on a line. They don't want to be stuck with an occupational disease contracted and developed on another insurer's premium. The results of x-rays and examinations are being passed on by the insurer's own roentologist, and unless it gets examinations on all workers, it will not assume the risk.

Another thing some companies are doing is to hold down the percentage of compensation to other lines. And with premiums on practically all lines coming in in unusual quantities, a company can adjust its proportions between lines fairly readily. The companies did not worry much about the amount of workmen's compensation they took during the war, but they are readjusting their proportions now with a particular eye on that line.

## Winchester D. C. Speaker

The Insurance Club of Washington, D. C., at its monthly luncheon heard P. M. Winchester, F.C.A.B., speak on settlement of claims under business interruption insurance.

Members of the Insurance Women's Club of Washington were invited to attend. At the women's luncheon meeting, postponed from last week on account of the hotel strike, Eugene Fields, Aetna Casualty, bond department, spoke in place of A. L. Kirkpatrick, manager U. S. Chamber of Commerce insurance department, who was in New York.

### Newark Bank Loss \$21,671

Mrs. Mary Coleman, for 10 years a teller in the United States Trust Co. in Newark has been charged with embezzling \$21,671. An FBI agent said Mrs. Coleman admitted she made fraudulent withdrawals from the inactive savings accounts and concealed the shortages by maintaining duplicate ledger cards. The money was spent, it is stated, for medical expenses, clothes, entertainment and expensive vacations. New Amsterdam Casualty had the coverage.

## Kentucky Agents' Annual Meeting Sets High Record

75% of Members Turn  
Out—Sheridan Barnes  
New President

### NEW OFFICERS ELECTED

President—Sheridan C. Barnes, Elizabethtown.  
1st vice-president—George E. Burks, Louisville.  
2nd vice-president—J. E. Fall, Jr., Fulton.  
Secretary—Peyton B. Bethel, Louisville.  
State national director—Norman A. Chrisman, Pikeville.

By ROBERT F. STEINKE

LOUISVILLE—An all-time high mark for the Kentucky Assn. of Insurance Agents was registered here this week during its 50th anniversary meeting at the Brown hotel with more than 300 out of 393 members attending. Officers and members hailed it as the most successful and interesting meeting in recent years.

Members from throughout the state were present, many bringing their wives. The Monday morning session included a review of the needs for a new state constitution by E. S. Dummit, attorney general, and an address by John C. Stott, Norwich, N. Y., executive committeeman National Assn. of Insurance Agents.

That afternoon under the guidance of M. O. Diggs, manager U. S. F. & G., Louisville, a panel consisting of Orville M. Howard, commissioner of revenue; Ralph G. Hastings, Washington, Ind., and Lewis Y. Johnson, resident vice-president American Surety, Louisville, reviewed the new Kentucky motor vehicle safety responsibility act which becomes effective Jan. 1, 1947.

### Reviews New Law

Mr. Howard reminded his audience that the department of revenue has administrative authority under the law and emphasized the fact that his department is definitely opposed to the use of any scare tactics which misstate or misinterpret the law solely for the purpose of selling insurance. He asked that agents urge operators to use the same name on licenses, insurance, and plate registration to facilitate administration of the law and offered cooperation with the insurance industry and solicited their help. He called attention to a leaflet to be distributed to police departments and filling stations. Another part of the campaign is the use of 222 billboards announcing the law, Mr. Howard said.

Every operator who kills or injures a person or does property damage in excess of \$50 must report the accident on a prescribed form. Sixty days later the

(CONTINUED ON PAGE 32)

### Whisky Cover Unaffected

NEW YORK—OPA exemption from price controls of whisky distilled from now on and stored in new barrels is not expected to require any adjustment in the insuring of whisky for some time. Whisky entered in new barrels is generally intended to be aged at least two years. The procedure of working back from prices of bottled goods to determine the value of barrel whisky for insuring or adjustment of loss purposes will continue to be followed.

## C.P.C.U.'s Reelect National Officers

### Diemand Defends Multiple Underwriting at Chicago Meeting

The Society of Chartered Property & Casualty Underwriters reelected A. J. Wohlreich, Newark, president at its national meeting in Chicago this week. R. F. Sommer, Planet, Detroit, and F. H. Chegwidden, assistant secretary Camden Fire, were reelected vice-president and secretary. M. H. Donchin, Chicago, and E. L. Werner, St. Louis, are the new directors for three-year terms.



H. J. Loman

At the luncheon meeting sponsored by the Chicago C. P. C. U. chapter, Dean H. J. Loman of the American Institute for Property & Liability Underwriters, presented certificates to 24 of the 42 new C. P. C. U.'s and J. A. Diemand, Philadelphia, president North America, discussed multiple line underwriting. Over 400 attended the luncheon, which the Chicago men have sponsored ever since the first designations were awarded.

#### Recalls 1914 Remarks

In his vigorous defense of the multiple line underwriting idea, Mr. Diemand quoted the paper of Commissioner Mansfield of Connecticut at the 1914 meeting of the National Convention (now Assn.) of Insurance Commissioners. Pointing out that this paper was written when American fire insurance companies were beginning to organize casualty running mates and that no one then dreamed that the casualty business would reach anything near its present size, Mr. Diemand read the statement of Commissioner Mansfield that the so-called American system of classification is a misnomer and is indefensible. He quoted Commissioner Mansfield as saying that in effect the casualty business is multiple line insurance, since there is no possible connection between live stock, credit, physicians' defense, property damage and plate glass insurance and surety bonds, yet a casualty company can write all of them.

Mr. Diemand emphasized that multiple underwriting is not synonymous with all risks or comprehensive insurance and that a company having the charter power to write all lines except life need not exercise these powers unless its directors and officers think it wise to do so. He reviewed the history of the business, pointing out that there is still much overlapping between the different branches and that the uniform definition of marine insurance by no means ended conflicts between fire and marine underwriting. He also answered critics of the proposals, saying that, while large fire companies which have casualty running mates and advertise their multiple line facilities have been very tender toward small companies and insisted multiple line powers would hurt them, the fact is that small companies want these powers and could do much better writing all lines in restricted territories.

#### Progress to Date

So far, Mr. Diemand reported, Massachusetts, Pennsylvania, New Jersey, North Carolina and Missouri have enacted laws in line with the recommendations of the committee appointed by the commissioners, which Mr. Diemand headed, and all but Pennsylvania have gone further than the report suggested. New York has passed a multiple line reinsurance bill and the proposed code of Washington will include multiple line underwriting powers. Mr. Diemand discussed the five proposals of his commit-

## Proposed New Wash. Code Weighs 2 Lbs., 8 Ozs.

The proposed insurance code for the state of Washington has been published in a volume weighing two pounds 8 ounces and is being distributed as hearings on it are about to commence.

Robert D. Williams, who was formerly with Sunset Life and Sunset Casualty, has been working on this project for many months. He is special deputy of the department. He started out by clipping the present insurance laws of the state and pasting on separate cards each subdivision of the statute. Then he got together the insurance laws of all the other states, clipped them and pasted them up on cards. Then he assembled the provisions of all the other states by subjects. In this way he was able to determine how each state in the country deals with a particular subject and he extracted what he regarded as the best provision. He supplemented this enormous amount of paper work with trips throughout the country interviewing insurance commissioners and their staffs and insurance people, and attending insurance conventions.

A series of hearings has been scheduled commencing Oct. 28 in the A.O.U.W. hall at Seattle. Fourteen days will be devoted to such hearings with specific subjects scheduled for consideration according to the time table. At those hearings company interests will be the only ones to be heard.

Commencing Nov. 18, hearings will be held in other parts of the state where agents, brokers and other insurance men may express their views. Hearings will be held at Spokane Nov. 18-19, Walla Walla Nov. 20, Yakima Nov. 21, Wenatchee Nov. 22, Bellingham Nov. 26, Aberdeen Nov. 27 and Vancouver Nov. 29.

### Sun Official Introduced

C. W. Ohlsen, western manager of Sun, was host at two luncheons at Chicago, to introduce John A. Miller, general manager of Sun at the home office, to insurance men of that city. One luncheon was for local agents of Sun at Chicago and the other was for western department executives of other companies. Mr. Ohlsen presided at each occasion and Mr. Miller addressed the groups. Mr. Miller went to Canada from Chicago.

tee in considerable detail and closed with a confident hope that at least the minimum recommendations would be adopted by a large number of states during the 1947 legislative season.

Dr. Loman announced that this meeting was the first national conferment of C. P. C. U. designations, but that local meetings would be held for those unable to get to Chicago. There are now 88 C. P. C. U.'s and about 45 were at the meeting.

R. B. Ayers, Aetna Casualty office agent, president of the Chicago C. P. C. U. chapter, presided at the luncheon. At the speakers table, in addition to the officers and speakers, were H. P. Stellwagen, Philadelphia, executive vice-president Indemnity of North America and president American Institute; Wade Fetzer, Jr., Chicago, a trustee of the institute; R. M. Babbitt, Jr., Chicago, past national C. P. C. U. president and institute trustee; E. L. Lederer, chairman Chicago Insurance Agents Assn.; Eugene Rappaport, president Chicago C. L. U. chapter; George Seaverns, Jr., president Insurance Brokers Assn. of Illinois, and R. L. Davis, Chicago, western manager Assn. of Casualty & Surety Executives, who received the C. P. C. U. designation at the meeting.

Formation of new chapters to be known as Middle Atlantic and Ohio-Michigan was authorized. The 1947 convention will be at Los Angeles.

## INSURANCE INSTITUTE PRESIDENT REPORTS

### Educational Activities for Non-Sales Employees Are All But Non-Existent

NEW YORK—The need for a more adequate program of insurance education was brought out emphatically by James A. McLain, president of Guardian Life, in his report as president of the Insurance Institute of America at the latter's annual meeting here. Though the survey of insurance education facilities which the commerce school of University of Pennsylvania is making for the institute is not quite complete Mr. McLain was able to give some interesting conclusions based on preliminary figures. He said that "when we stop to think that one inadequately informed and trained and probably disgruntled employee can wreck or seriously damage good-will that may have cost anywhere from \$10,000 to \$100,000 in managerial and sales payroll to build," it serves to emphasize the need for adequate insurance education.

#### Many Lack Programs

Mr. McLain expressed the belief that a very large number of the general insurance companies have no direct or indirect program for the formal insurance education of their employees. On the surface the life field looks better, but probably isn't as good as it looks. Mr. McLain said that when there has been time to analyze the information he thought it would be found that there, too, the job of home office and field office employee education and training has been, for all practical purposes, almost entirely skipped.

Discussing the work of various associations, publishers, and societies, Mr. McLain said it is important that with the possible exception of education and training for sales forces, they reach a relatively small number out of the total of insurance employees. Nevertheless, many of them—notably the New York society, have done a "magnificent job."

#### Not Offering Criticism

Mr. McLain made it clear that he was not criticizing any group or individual but was simply trying to take a factual look at the situation.

"I think we've gone far enough to see that the whole field of insurance training and education—especially for non-sales personnel—is wide open," he said. "When it comes to a coordinated program capable of giving our business a general level of employee education comparable to that of, say, A. T. & T.'s employees, to name only one of the service industries, we have not even begun to do a job."

There are, he said, five main factors to be considered in building a program that can be sold to top management. The first and most important step is to work out a practical plan for developing trained teachers and instructors. The second is creation, coordination and revision of text material. The institute has done much in this direction, he said, but much more is to be done. Third is a need for teaching aids, such as training films, recordings, charts, exhibits—gadgets of all sorts. The fourth factor is the need for continuous research in education and training.

#### Need to Keep Program Sold

Finally, there is the need to sell the program to the business and then keep it sold, not just to top management but the job of working with individual companies on their over-all educational requirements, setting up and supervising local study groups for the benefit of field office employees, and doing everything else that will help merchandise the need for adequate, fundamental employee education.

Mr. McLain pointed out that insurance employees make up about the largest and most powerful single force the insurance business has for creating favorable public relations. The risk of damaging good-will through inadequate in-

surance education is trifling compared to the loss in potential good will and operating efficiency—benefits that could easily be attained through taking every possible step to make the working forces well informed, enthusiastic ambassadors for the insurance business.

Mr. McLain said that printed copies of the survey are a few weeks away—how many weeks depending a little on the paper supply and the number of strikes that may be encountered.

Prizes were awarded for excellence in examinations in six classifications of general insurance instruction. No life student, however, had sufficiently high grades to win a prize. Prizes were awarded as follows:

General principles prize—Caroline E. Van Eck, Port of New York Authority.

Casualty prize—William H. Decker, Jr., New York and William M. Kinsel, General Accident, tied.

Fire prize—Joseph H. Finigan, Jr., Hartford Fire, San Francisco.

Inland marine prize—John S. Harlan, Security of New Haven, San Francisco.

Ocean marine prize—Raymond J. Gruol, Chubb & Son, New York.

Surety prize—Catherine Kempf, Eagle Indemnity, New York.

Mr. McLain was reelected president of the institute. J. A. Bogardus and John A. Diemand, North America, were reelected vice-presidents, and E. R. Hardy continues as secretary-treasurer.

Frank H. Thomas, Fire Assn.; H. C. Conick, Royal-Liverpool; Olaf Nordeng, Automobile, and Richard V. Goodwin, Fireman's Fund Indemnity, were elected to the board of governors.

## Alpha Chi Epsilon Reunion Program

The reunion in Chicago Saturday of Alpha Chi Epsilon, professional fire insurance fraternity, will depart considerably from pre-war customs. There will be a business meeting at 10 a.m. in the Chicago Board conference room, in contrast to the former procedure of holding business meetings at the dinner.



Brice Draper

Brice Draper, Hartford Fire, Chicago, secretary of the fraternity, announced that the number of important matters to be discussed made a separate session necessary.

Following the business meeting, the members will attend the Northwestern College of the Pacific football game at Dyche Stadium in Evanston. Seats have been secured in a block. There will be a cocktail party at the Palmer House at 6:15, followed by dinner at 7 p.m. It is anticipated that a large proportion of members will bring their wives.

The members of Alpha Chi Epsilon, who are alumni of the courses formerly maintained by the fire insurance companies at Northwestern and Columbia Universities, have been hoping for years that the courses would be reinstated. The current manpower problems of the insurance companies, plus the records made by graduates of the former courses have given foundation to these hopes.

There was a cocktail party at the convention of the Massachusetts Assn. of Insurance Agents before the dinner, courtesy of the Worcester Board of Underwriters.

Among the visitors were E. T. Moynihan, secretary Mamerole companies, and Seymour L. Brannan, head of the inland marine department.

Benjamin F. Freeman, field superintendent Hingham Mutual Fire, was there.

October 24, 1946  
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## H. E. TAYLOR GIVES TIPS

## Says Credit Men in Key Spot to Ask More Insurance

With current fire losses at the highest point in history, and with other losses keeping pace, credit men should give much consideration to the insurance carried by their debtors, Harold E. Taylor, associate director research and development division of American, told the Tri-State Conference of Credit Executives at Atlantic City.



H. E. Taylor

Citing first six month losses this year as being equal to the 1940 total, Mr. Taylor stated that it isn't sufficient that debtors merely carry fire insurance; they must carry "adequate" insurance.

He outlined the dangers in debtors' losses through not complying with co-insurance clauses—losses which could seriously affect their credit.

Another danger lies in too much insurance, where the debtor bought an inflated-valued residential dwelling, insured it for its current value which was far above its original construction price, and sustained a loss which affects his credit, Mr. Taylor said.

## Burglary Worse Than Fire

He mentioned burglary, saying that such losses are five-fold those from fire at the present time, and mentioned that not only jewels and furs are being stolen today, but also such scarce commodities as liquors, wearing apparel and other things. Co-insurance clauses often apply in burglary cover as well as fire policies, he stated.

"Because of the current crime wave and employee unrest, it may also be wise to consider fidelity bonds and check forgery insurance. A debtor's bank balance can dwindle rapidly if a trusted employee suddenly goes sour.

"Because of reconversion and increased production, your debtors liability coverage may not give the protection he needs today. The new comprehensive general liability policy has been designed to cover unanticipated hazards as well as those anticipated.

## Watch Auto Liability

"Automobile accidents have increased materially and cash verdicts have inflated in keeping with other costs. Make sure your debtor has adequate auto liability. And don't take it for granted that because there is a state compensation law, the owner of the business—especially a small business—is protected.

"It may be some of you feel that the fact many properties are under-insured, and some overinsured, indicates negligence on the part of the insurance business, but I assure you this isn't so.

"Rates for fire insurance on dwellings are so low, neither the companies nor their agents can afford to send a qualified appraiser to determine whether the owner is buying too much insurance. Every policyholder knows that insurance is intended to reimburse only for actual loss—not to provide a profit. The companies are furnishing their agents unlimited quantities of printed matter which they can send to their customers, reminding them to check their values. My company even provides a chart with which any dwelling owner can determine a reasonably approximate value of his building in two minutes' time. And as for underinsurance, all good agents are doing their best to have their customers increase their insurance in keeping with today's values. The agent can't make his customers increase their insurance—but the credit man can!"

In conclusion Mr. Taylor stated that insurance is the basis of all credit, and

## Sales Forum Gives N. J. Agents' Meeting Usable Pointers for Boosting Earnings

The sales forum at which four experts gave specific and usable pointers on how to get more business proved a popular feature of the annual convention of the New Jersey Assn. of Insurance Agents at Atlantic City.

Participants were Walter Meiss, assistant U. S. manager London Assurance, who talked on the bank-agent auto plan; George H. Martin, New Jersey state agent of New York Underwriters, who dealt with time-element fire coverages; Edward Uhler, casualty superintendent in Philadelphia for Fidelity & Casualty, who discussed the comprehensive liability policy, and W. S. Vogel, general agent Columbian National Life, Newark, who told the agents how to boost their incomes by writing life insurance.



Walter Meiss

## BANK-AGENT PLAN

WALTER MEISS—It does not pay to antagonize the automobile dealer. Be friendly with him. Show him that he can make more in the long run by cooperating with the bank and agent plan because it is encouraging more and more buyers and they are all local.

Stress the fact that the ABC's of the bank and agent plan are "Buy Your Insurance from Your Local Agent. Borrow from Your Local Bank. Buy Your Car from Your Local Dealer." That local idea has not been given enough play. The bank recognizes the advantage of it knowing that the average man wants to do business with his local bank and will pay his banker first.

Of course, that enables the bank to operate under a lower acquisition cost but it makes for satisfied customers and they, in turn, send in new customers. That means more local buyers of automobiles created for the local dealer, whereas the finance company is a foreign institution and is not particularly interested in whether your dealer friend sells the car or whether it is some dealer in a neighboring or distant town.

## Don't Stress Cost

Don't play up cost too much. It is not such an important factor. It is a mistake to give it major prominence. A man putting out \$1,200 to \$2,000 on a car is not going to be particularly swayed in his preference by saving a relatively few pennies. Even if the bank's rate is 1% under that of the finance company's charge, it would mean only a saving of around \$9 to \$15 or \$16 and that certainly is not going to be a controlling factor.

Even then by stressing lower finance charges you are stepping on dangerous ground because any saving in that charge more often than not can be offset by the finance company's "package charge," which includes cut-rate insurance. Rate charges should be competitive. That's all that is necessary. The service is the factor.

Don't try to tell the banks how to set up all the details of their consumer loan department. Many boards have made that mistake. The bank knows how to run its own business. Banks don't like to follow too much in the same groove. Some of them are quite progressive.

that if there is doubt that there is adequate insurance protection for credit an insurance agent, not the creditor, should be asked to ascertain the facts. He said it hardly can be expected that the creditor would be willing to disclose that he is underinsured.

Down in Arkansas one enterprising agent who had some difficulty convincing his local banker of the merits of the bank and agent plan simply took a list of his policyholders, handed them to the bank and asked them if those folks were acceptable credit risks. The banker very enthusiastically announced that if that was the kind of business he could expect he was all for this bank and agent auto plan. That is an idea that could be followed out everywhere so that by the time your client gets around to purchasing the car there will be no delay in connection with the credit. That has already been established.

The chief criticism that we hear voiced by the banks is over the lack of agent solicitation—that is a very serious complaint because it hits at the very keystone of the plan.

We are all familiar with the oft-repeated statements of our finance company friends that the bank and agent plan cannot be successful because the banks cannot handle the dealers' floor plan loans. That's all bunk. Floor planning is not necessary if the bank confines itself to direct consumer loans. However, if the bank decides that they have to make such loans, or think it advisable, there are no barriers. Don't let the floor plan bogey scare you off.

The banks are ready but no one knows how long they will be content to just sit and wait. They are all dressed up and ready to go places and will turn to their "eager beaver" dealer friends if you, their partners in the bank and agent plan, fail them in your responsibility as solicitors. Your end of the bargain is to produce the customers—then write and service the insurance.

## TIME-ELEMENTS PLANS

GEORGE MARTIN—Home owners are conscious of the scarcity of homes and it takes little selling to convince them that they should protect their rental interest on the basis of their annual rental income or rental value. Landlords, particularly, are conscious of possible loss of rental income. Today many are voluntarily buying rent insurance.

A good starting point for a sales campaign is your dwelling property renewals. Some agents boldly attach rent endorsements to renewals, advising their policyholders by mail that they have done so. Of course, he must either know or estimate the amount of insurance required and obviously must be well acquainted with his clientele or run the risk of rebuke and a lot of policy rewriting. In general, it is more prudent to deliver a policy in person, and explain the proposed extension of the protection.

## Include All in Estimate

When soliciting a new line on dwelling property it is effective to quote the total premium for the amount of insurance agreed upon, including rent insurance, and the extended coverage endorsement, referring to the complete protection as "broad form" coverage. If the cost should be questioned, the difference between the "broad form" and the "limited form" (fire and lightning only), may be explained. When this is understood, the prospect usually accepts the "broad form," including rent insurance, as the difference in cost is outweighed by the extension of the protection.

The use of solicitation letters, and company advertising material in solicitation should not be neglected, but it is important that such letters be followed up closely with a personal call, to make them really effective. Short letters, right to the point, are advisable.

Mortgages and mortgage companies are suggesting to their mortgagors that they carry rent or rental value insurance, particularly on mercantile and

(CONTINUED ON PAGE 38)

## Insurance Gains Official Role in Aviation Clinic

OKLAHOMA CITY—Aviation insurance received its first official recognition as part of the aviation industry with passage here of a resolution allotting insurance seven delegates to the National Aviation Clinic, industry-wide trade association which embraces all segments of aviation.

Credit for introducing and pushing the resolution goes to Preston Doerfler, aviation supervisor at Kansas City for Western Fire, who was on the floor of the body as an alternate in the delegation representing private pilots. Passage places insurance on the same footing as 14 other categories of aviation in the body, a move which has been considered desirable by aviation insurance people ever since the inception of the National Aviation Clinic four years ago. Sessions are held annually at Oklahoma City.

Alphonso Ragland, Jr., Dallas local agent, and E. L. Stephenson, Chicago manager for Associated Aviation Underwriters, were present as consultants and placed their weight behind the resolution presented by Mr. Doerfler. One of the speakers was John Bowman, general manager of Aircraft Owners & Pilots Assn., which has a group insurance arrangement for private flyers with Lloyd's.

The clinic strongly urged life companies to eliminate restrictive aviation clauses in new life policies; and policies already in force.

It was urged that aeronautical accident prevention programs and safety studies now being conducted by various agencies of government, insurance companies, etc., coordinated into an integrated national program.

## Would Make Okla. Tax Maximum 3%

OKLAHOMA CITY—The joint Oklahoma legislative tax committee has recommended that the next legislature reduce the 4% gross premium tax to 3%.

The committee had previously considered urging a cut to 2½% but some committee members voiced the fear that the legislature might reduce the state revenue too drastically if it followed the various tax reductions recommended by the committee, so the recommendation for the insurance tax was placed at a maximum of 3%. Under the current law, the tax is graduated up to 4%, with sliding reductions based on percentage of investments a company has in Oklahoma. This is said to favor domestic companies. The committee recommended retaining the exemption feature and that the minimum tax for domestic companies be 1½%.

## Insurance Section, Ill. Bar Will Meet Nov. 8

The insurance section of the Illinois State Bar Assn. will meet Nov. 8 at 2 p.m. in the Congress hotel, Chicago. Chase M. Smith, Lumbermens Mutual Casualty, will speak on "Problems Arising Out of the Application of the Federal Trade Commission, Robinson-Patman and Clayton Acts". David J. Kadyk, Lord, Bissell & Kadyk, will deliver "Some Thoughts on Insurance Legislation". "Proposed Regulation of Casualty, Surety & Fire Insurance Rates" will be the subject of Henry S. Moser, Allstate.

Director Parkinson will be present, as will State Senator Arthur L. Bidwill, chairman, and members of the Illinois interim commission on insurance. Samuel Levin is chairman of the section.

## ATLANTIC CITY PROGRAM

## Am. Bar Insurance Group Has Busy Schedule Ahead

The activities of the insurance section of the American Bar Assn., at Atlantic City include a general session at noon, Sunday, Oct. 27, round table sessions Tuesday morning and afternoon Oct. 29, together with a reception and dinner meeting that evening and then a general session and business meeting Wednesday afternoon, Oct. 30.

At the opening general session Oct. 27 with V. J. Skutt of Mutual Benefit H. & A. and United Benefit Life, the chairman, presiding, an address of welcome will be given by Arthur T. Vanderbilt of Newark, who was the first chairman of the section and the response will be delivered by Henry S. Moser of Chicago, who is the immediate past chairman.

Secretary John F. Handy of Springfield, Mass., will report. Grover Middlebrooks of Atlanta will report for the membership committee and L. P. Kristeller of Newark, for the publications committee.

## BERGE ON CARD

A nominating committee will be appointed. Paul J. McGough of Minneapolis will extend greetings as president of the International Assn. of Insurance Counsel and Superintendent Dineen of New York will give a salute for the National Assn. of Insurance Commissioners, of which he is president.

The chairmen of the various round table committees will be heard from.

At the dinner meeting Oct. 29, the speaker will be Wendell Berge, assistant U. S. Attorney General, who will speak on "Insurance and the Anti-trust Laws."

At the final business session the afternoon of Oct. 30, W. A. Patterson of Chicago, president United Air Lines, will speak on "Aviation—Present and Future." Insurance Commissioner Garrison of California will give a talk on "Insurance Jurisdiction and Supervision in Our Times" and E. C. Stone, U. S. manager of Employers Liability, will deliver an address, "Relations Between Insurance Company and Practicing Lawyer."

The programs for the various round table sessions, except those exclusively of interest to life insurance, are as follows:

## Tuesday Morning, Oct. 29

**Automobile Insurance Law, F. B. Baylor, Lincoln, Neb., chairman, presiding.**  
—Liability under Maintenance and Use Clause Including Loading and Unloading, Allen Meyers, Topeka.  
—Legal Questions Presented by Financial Responsibility Statutes, Mark Townsend, Jersey City.  
—Recent Automobile Decisions and Present Jury Trends, Allen Whitfield, Des Moines.

**Fire Insurance Law, John S. Foster, Newark, chairman, presiding.**  
—Primary Liability as Between Overlapping Coverages, Edward I. Taylor, Hartford.

—Loss and Legal Situations Inherent in the 1943 New York Standard Fire Policy, George D. Vail, Jr., New York.

**Health and Accident Insurance Law, F. Roland Allaben, Grand Rapids, chairman, presiding.**

—Permanent Disability as Proper Subject of Declaratory Judgment Action, Martin J. Dinkelspiel, San Francisco.

—Legal Aspects of Insurance Department Supervision with Regard to Accident and Health Insurance from the Viewpoint of Supervision and Jurisdiction as Affected by the S.E.U.A. Decision, Victor S. Cohen, chief of policy bureau, New York department.

—Voluntary Pre-payment Medical Care Plans vs. Compulsory Health Insurance and Federalized Medicine, T. V. McDavitt, Chicago, counsel for Amer-

ican Medical Assn.

**Workmen's Compensation and Employers' Liability Insurance Law, Clarence W. Heyl, Peoria, chairman, presiding.**

—Pulmonary Tuberculosis as an Occupational Disease or Accidental Injury, George H. Detweiler, Philadelphia.

—The right of a compensation carried to subrogation against third party for injuries to employer as the result of tort, Joseph W. Popper, Macon, Ga.

—Jurisdiction—Workmen's Compensation Acts—Longshoremen and Harbor Workers' Act—Jones Act, Robert E. Coughlan, Baltimore.

—Violation of Rules as a Defense in Workmen's Compensation Cases, Emerson Baetz, Alton, Ill.

**Fidelity and Surety Insurance Law, Walter A. Mansfield, Detroit, chairman, presiding.**

—Termination of Liability Under Public Official Bonds, Theodore L. Sedwick, Detroit.

—Government Contracts—The Ousting of Judicial Control by Contracting Agencies, Alexander M. Heron, Washington.

**Veterans' Affairs, Harry W. Colmery, Topeka, chairman, presiding.**

—Insurance Problems at the Front, Leonard M. Gardner, Washington.

—Subject to be announced, H. W. Breining, assistant administrator for insurance veterans administration.

## Tuesday Afternoon, Oct. 29

**Marine and inland marine insurance law, George E. Beechwood, Philadelphia, chairman, presiding.**

—Post War Planning in Marine Insurance, speaker to be announced.

—Some Recent Aspects of Inland Marine Insurance, speaker to be announced.

**Aviation Insurance Law, W. Percy McDonald, Memphis, chairman, presiding.**

—The Preparation and Trial of an Aviation Case, Donald Haven, New York.

—Review of Recent Aviation Decisions, Robert B. Lynch, New York.

—The Changing Scene, S. G. Tipton, general counsel Air Transport Assn., Washington.

**Casualty Insurance Law, Glenn R. Dougherty, Milwaukee, chairman, presiding.**

—The Liability of Rescue Volunteers, George J. Cooper, Detroit; Discussion, Marie Coate Houtz, Indianapolis.

—Legal Aspects of Coverage under Comprehensive Public Liability Policies, William L. Shumate, New York; discussion, Walter Stover, Watertown, S. D.

—Subrogation in Casualty Insurance Law, Herbert L. Bloom, Chicago.

—The Effect of the Soldiers' and Sailors' Civil Relief Act Upon Statutes of Limitation, H. Beale Rollins, Baltimore.

**Insurance Law Practice and Procedure, Forrest A. Betts, Los Angeles, chairman, presiding.**

—Revelation of Insurance to Twelve Good and True, Kenneth B. Hawkins, Chicago.

—Constitutional and Procedural Problems Presented by Proposals in Congress on Tort Liability in Air Transportation, by Stanley C. Morris, Charleston, W. Va.

**Regulation of Insurance Companies, Cecil C. Fraizer, Lincoln, chairman, presiding.**

—Report of Elmer W. Sawyer, New York, chairman of insurance status committee.

—Regulation of Insurance and Public Law 15 by Manual Gorman, special assistant to the U.S. Attorney General.

—Why Regulate Insurance Rates, Franklin J. Marryott, Liberty Mutual.

## Colburn Incorrectly Reported

George R. Colburn, assistant vice-president of American Appraisal Co., was incorrectly reported in THE NATIONAL UNDERWRITER when he was reported to have said that depreciation is influenced by market value, maintenance and repair. Mr. Colburn was referring to insurance value, as market value or prices have no bearing on depreciation.

## Personalities at Jersey Rally

As at the recent Ohio Assn. of Insurance Agents meeting at Columbus, Fidelity & Deposit served coffee and doughnuts in a room off the main convention hall at the annual meeting of the New Jersey Assn. of Insurance Agents at Atlantic City. The room proved extremely popular. It featured all policies issued by F. & D. and American Bonding but stressed particularly the "3D" policy. Representing the company were D. L. Buckler, associate manager agency department, Sidney Doolittle, advertising manager, James M. Henderson, resident vice-president at Philadelphia, Paul S. Parris, resident vice-president at Newark, E. K. Jamison, Philadelphia manager, M. J. Gimber, assistant manager at Newark, H. R. Burr, special agent at Newark, Nathan Stauffer, special agent at Philadelphia, and F. L. Phillips, special representative at Newark.

Harold Silversides, deputy U.S. manager of the Yorkshire group, was on hand for his first agents' convention since his arrival in the United States three months ago.

Charles H. Conklin, executive vice-president of Northern of New York, was on hand to see his brother John installed as president of the New Jersey Association.

Clark Willever of Washington, N. J., and James Jamieson of Hackettstown flew to the convention, a distance of about 150 miles, in Mr. Willever's Aeronca plane, Mr. Jamieson piloting the ship going to the convention and Mr. Willever taking over the controls on the way back. It was the first time any agent had flown to the convention in his own plane.

The New Jersey department was well represented by Deputy Commissioner Gough and Bernard Hamilton, chairman of the compensation rating and inspection bureau and a special deputy commissioner.

Leon A. Watson, manager of the New Jersey Fire Insurance Rating Organization, who rarely misses a New Jersey agents' meeting, was away on a hunting trip in the west. However, S. Gage Lewis, assistant manager, was on hand.

J. J. Smiek attended as representative of the consulting actuarial firm of Woodward & Fondiller, consultants to the association.

Haddon Hall, where the meeting was held, had been almost completely converted to civilian use. During the war it was England General Hospital, for amputation cases. Each floor has a room, formerly used as a diet kitchen that is still not in use. The report is that the army was forced to move the hospital away from Atlantic City because so many sympathetic citizens insisted on providing the patients with liquor, unintentionally hampering their treatment and recovery.

A mutual company being represented at a stock company agents convention may seem strange, but Atlantic Mutual was, by Robert M. Perce, assistant field manager, Arthur M. Johnson, Newark manager, and Robert K. Mook, Philadelphia manager. Atlantic Mutual gets most of its business from regular stock company agents rather than from mutual agents. One of its members, Centennial, is a stock company.

Fred J. Cox of Perth Amboy, former National association president and until recently chairman of the New Jersey Association's public relations bureau committee, was unable to be present and was greatly missed.

Atlantic City papers were particularly interested in the talk given in the sales forum by Walter Weiss, assistant U.S. manager of London Assurance.

Judge A. B. Craig, Blairstown, was elected for his thirtieth term as vice-president representing Warren county. He has been 50 years in the insurance business.

Among the head table guests at the banquet was Mrs. Thelma Fleming, Plainfield, president of the New Jersey Assn. of Insurance Women.

## Worgess Battle Creek Secy.

BATTLE CREEK, MICH.—The Battle Creek Assn. of Insurance Agents has elected Russell Worgess secretary. At the recent annual meeting, the choice for secretary declined to serve.

## N. J. Assn's New Leaders Have Had Broad Experience

John C. Conklin, elected president of the New Jersey Assn. of Insurance Agents at its annual meeting at Atlantic City, recently celebrated the 25th anniversary of his agency in Hackensack. He started in the insurance business with R. A. Corroon & Co., New York, at the end of his sophomore year at Yale. A year later he left to open his agency. From a desk and a chair it has grown to a staff of 16, with trained specialists in every department of insurance, including life.

At the time of its 25th anniversary the agency sent out 4,000 copies of an attractively printed brochure to clients and prospects. Mr. Conklin comes from an insurance family, his father having been U. S. manager of Pearl until his retirement some years ago and before that vice-president of Northern of New York. Mr. Conklin's brother, Charles H. Conklin, is executive vice-president of Northern. The association's new president served for two years on the executive committee before being made its chairman a year ago.

The agency has a complete aviation department, with a branch office at Teterboro airport in charge of Mr. Conklin's son, John C. Conklin, Jr., former navy pilot, who operates the plane owned by the agency and used in soliciting business from airports. The plane is a great help in selling aviation business.

## A. C. Sinn Is on Deck

A. C. Sinn of Clifton, the new executive committee chairman, who is in line for the presidency next year, has performed valiant service as chairman of the bank and agent auto plan committee. He started in the insurance business in 1917 with Hamilton at New York. He went to Great American in 1919 and to Union of Canton in 1921 as examiner, later serving at Hartford as state agent for New England.

In 1927 he returned to Clifton and took over the agency which he had formed in 1922 and placed in charge of his brother. He is a member of the National association's committee on the bank-agent plan, a past president of the Passaic county association and one of its founders. He is a director of First National Bank of Clifton and director and treasurer of the East Clifton Savings & Loan Assn., vice-president of North Jersey Country Club and past president of Clifton chamber of commerce.

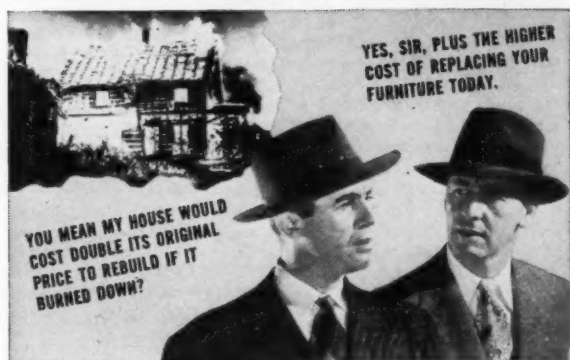
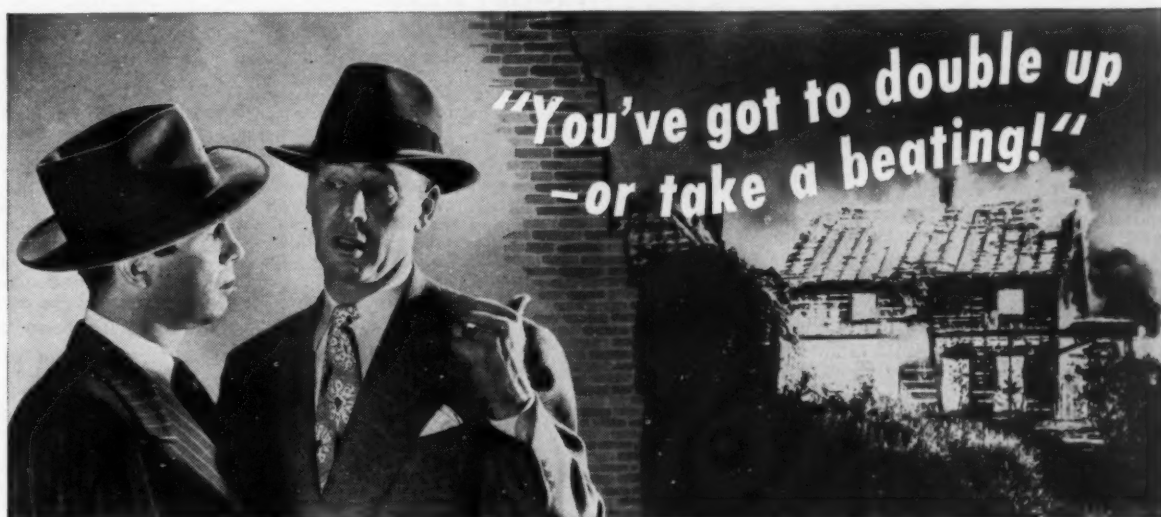
## Fall River Fire Causes \$750,000 to \$1 Million Loss

FALL RIVER, MASS.—Fire swept through the five story, 75-year-old Shove Mills building, occupied by half a dozen independent concerns, causing damage estimated at between \$750,000 and \$1 million. The fire started from an unknown cause on the top floor, occupied by Brian Brothers, manufacturers of boys' clothing. The mill, 490 feet by 65 feet, was totally destroyed. It was occupied on the first floor by Alden Corrugated Co., manufacturers of cardboard boxes; second floor by Acme Clothing Co., men's clothing firm; third floor and part of fourth, by Merit Manufacturing Co., makers of women's dresses; fourth floor, Danbury Carroting Co., manufacturers of rabbit fur used for hat manufacturer, and fifth floor by Brian Bros.

Fire departments of some 13 towns were called in to fight the fire but many of the pumpers were idle for lack of water.

It is understood that about \$400,000 insurance was carried, largely in the mutuals, with \$25,000 in Fireman's Fund.





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## Cleveland Agents, Dealers and Finance Men Form Pact in Automobile Field

CLEVELAND—An automobile insurance "code of ethics" formulated and subscribed to by Cleveland Automobile Dealers Assn., Cleveland Finance Assn. and Insurance Board of Cleveland, went into effect here Oct. 15. The code has been under consideration for a long time by committees representing the three groups. The Insurance Board committee consisted of John L. Meyer, president, and S. J. Horton, executive secretary.

The plan involves use of an insurance binder in quadruplicate, one copy intended for the insured, one for the finance company or bank, one for the agent and one for the dealer. The binder is addressed to "To Whom It May Concern" and states that this is evidence that actual value comprehensive and . . . deductible collision insurance is bound on any automobile purchased by . . . from any dealer in Cuyahoga county. It specifies that confirmation of purchase must be sent to the agent by 25 days after delivery of the car, or passing of the title, whichever is first.

The lower part of the page is a perforated section comprising the confirmation of purchase. This is to be completed and mailed to the agent. It includes space for identification of the car, purchase price, term of financing and name of finance company or bank, together with a statement of whether or not the premiums are included in the financing contract. The confirmation is to be signed by the automobile dealer and purchaser.

The Insurance Board states that because of the complicated situation at Cleveland, it is not possible for the board to promote a bank-agent plan without being offensive to some interests. The idea has been to set up principles that would result in a "free market." According to the board the plan does not do violence, but rather supports the bank-agent plan.

### Provisions of the Code

The code of ethics states that the car purchaser has the right to buy from the dealer of his own choice and to handle the financing and insurance without restriction or coercion providing that the financing contract and insurance

### Business Interruption Arguments by Jensen

A potent sales argument which Roy P. Jensen, Detroit manager for Fireman's Fund, recently gave the Detroit Assn. of Insurance Agents was that 20% of business concerns which suffer serious fire losses are able to continue in business and those which are still solvent are only so because they carry business interruption insurance. It should also be pointed out, he said, that the rates are back to their pre-war level with no double charge for priorities and no 30% addition for lack of raw stocks, even though it takes just as long to rebuild as it did during the war.

Replacement of damaged buildings and contents now takes an average of six months these days. A potent argument now which drives the business interruption coverage home is that of the Hotel La Salle in Chicago, which burned four months ago and is still out of service. The hotel is having its continuing expenses and profits paid by business interruption cover.

Mr. Jensen advised against bringing up to the insured the difference between the contribution clause and the coinsurance clause, because it is not vital enough to be argued and will merely confuse the insured.

He said that a total loss wipes out the 10% that may be applied for rental or cost of repairs may eat up the rental portion. This fact offers an argument for rents and rental coverage.

meet reasonable requirements. The car purchaser, according to the code, has the right to have repairs made by the dealer from whom he purchases the car or by any other repair shop of his own choice without restriction or coercion. . . .

When insurance is furnished by the purchaser through his own insurance agent in connection with a financed purchase or financed loan, an insurance binder or evidence of insurance in form approved by the subscribers to the code will be furnished by agents to prospective purchasers or those seeking loans to protect the purchaser, dealer or financial institution as their interest may appear.

### Current Prices for Parts

Members of the Insurance Board will undertake to protect the insurance interests of the public, financial institutions and dealers. In claim adjustments it shall be considered good practice to give due consideration to current standard prices for parts.

Particulars regarding insurance shall be considered the property of the assured and strictly confidential. It is not good practice for agents to seek such information from finance institutions or automobile dealers, or finance companies to disclose such information to agents unless authorized by the owner.

It is considered good practice for finance companies to notify purchasers of the expiration of insurance held by such finance companies and it shall not be considered good practice to solicit renewal of such insurance either by or through such finance company, or for any particular insurance company or agency.

### HOLC Closes Three Offices; Service Shifted to N. Y.

NEW YORK—The Home Owners' Loan Corp. has closed its regional offices at Atlanta, Cincinnati and Memphis, and the office at 2 Park avenue, New York 16, is now servicing all properties in which HOLC has an interest in the following states:

Alabama, Arkansas, Connecticut, Delaware, Florida, Georgia, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, District of Columbia, and Puerto Rico.

All matters concerning insurance on properties in these states should be referred to the New York City office.

### Reports on Church Insurer

The Illinois department has released the report of an examination of National Mutual Church of Chicago, showing at Dec. 31, 1945 assets of \$561,796, voluntary reserve \$60,000 and unassigned funds \$390,544.

The examiners state that the loss experience has been unfavorable but the reduction in expenses has been more than sufficient to offset the increased losses. Walter J. Cox is president and manager. Policies are non-assessable. Business is written at a 20% deviation from standard rates in Illinois with an occasional greater deviation in some other jurisdictions.

Most of the business is acquired direct as a result of mail solicitation and connections with various church groups. However, there are 14 agents in Illinois and the maximum commission is 25%. Net premiums written in 1945 were \$166,432, losses were \$99,587 and expenses totaled \$51,940.

Premiums earned were \$169,292 and underwriting losses and expenses were \$140,542.

### INTERIM COMMISSION

## Ill. Study Group Shies Away from Model Bills

The Illinois interim commission that is studying legislation that may be necessary in the state under public law 15 at a meeting last Thursday gave a chilly reception to the all industry-commissioners bills. Insurance Director Parkinson proposed at that time that the commission endorse this legislation, but the committee was not willing to do so in toto. It expressed sympathy with the principles of the bills but appointed a subcommittee to draft specific rating legislation for Illinois that would complement the present rate regulatory statutes governing fire insurance, automobile and the personal property floater.

That subcommittee consists of Mr. Parkinson, Joe Braun, Chicago Motor Club; Chase Smith, Lumbermen's Mutual Casualty; Senator Bidwill, who is chairman of the commission, and Rep. Harry Topping of Kankakee, who is a local agent.

### D. C. Bureau Elects

WASHINGTON—At the annual meeting of the District of Columbia rating bureau Fidelity & Guaranty Fire, Hartford Fire, Royal, and National Union of Washington were elected members of the governing committee for three years.

Walter Bastian, bureau counsel, reviewed the District fire rate case in local courts and indicated the question of appealing from Justice Holtzoff's decision against Superintendent Jordan's order for reduction of fire and windstorm rates is still pending.

The governing committee elected William B. Rearden, Firemen's, chairman; Howard S. Jarvis, Travelers Fire, vice chairman.

The executive committee consists of Albert W. Howard, chairman; Frank R. Powell, vice chairman; R. Edward Early, Edmund H. Harvey, Stocton M. Hotze, Raymond C. Karge, William B. Ragsdale, James H. Shannon, Marshall M. Smith.

The meeting assembled at Statler Hotel, but on account of the hotel employees' strike, recessed to convene again at the U. S. Chamber of Commerce headquarters.

### Would Wind Up Wis. Mutual

MADISON, WIS.—Final liquidation figures of Wisconsin Mutual, which was taken over by the Wisconsin department in 1941, have been submitted by Commissioner Duel to Circuit Judge Sachtleben for approval. Assessments of \$320,860 were paid by about 6,300 policyholders out of 9,000 and other income increased the total collected to \$396,873. Disbursements were \$270,958, leaving a cash balance of \$125,915 as of April 1. The department proposes to distribute the balance prorate to the policyholders who paid their assessments. Deputy Commissioner Yaudes, in charge of the liquidation, told the court.

### Living Bonus to Hartford Men

Home office employees of Hartford Fire and Hartford Accident earning a base salary of \$7,000 a year or less have been granted a temporary cost-of-living allowance of 10%, not to exceed \$500 per annum.

Leaders in the field use the **Policy Analysis Service**. Write the Accident and Health Bulletins, 429 E. 4th St., Cincinnati 2, O.

## National Board Goes on Air with Dramatic Series

The National Board will return to the radio at 3:30 p.m. EST., Sunday afternoon, Nov. 3, over a national hook-up of 259 stations in every state in the Mutual Network.

The new weekly program will be a half-hour drama based on the effect on human destinies of catastrophes of fire or hurricane. A wide variety of situations will be covered, including mysteries, comedies, heroic adventures and old-fashioned melodramas.

The dramas will be fictional. The background material of the plots will be based on actual fires, hurricanes, or marine disasters. Authentic facts from real cases will be used.

### Feature Broadway Talent

A company of Broadway talent has been recruited.

Between the acts a public figure in the field of fire protection, or conservation of national resources will talk.

The first drama will be broadcast from a Times Square radio playhouse seating about 600. If possible, all plays will be put on the air before invited groups in a theater or studio.

The setting of the first drama is based on the Fall River conflagration of 1928.

Luis Van Rooten, a popular actor, will be the narrator.

Betty Garde will play the leading role in the opening show.

### Reinsurance Manager for American International

William A. Butz has been appointed reinsurance manager for American International Underwriters Corp. in New York City. Discharged as lieutenant colonel, Mr. Butz returned last month from four years army duty, including 20 months in Europe and Germany. He received the Bronze Star for combat operations and also the French Croix de Guerre with combat gold star. He holds the army commendation ribbon with clusters.

Before entering service Mr. Butz was assistant superintendent of reinsurance for Employers' group in Boston. Prior to that he was assistant secretary of Sterling Offices, Ltd., reinsurance brokers, New York, and director and assistant secretary of Lion Fire.

### Approve Excelsior Increase

Stockholders of Excelsior of Syracuse have voted to authorize an increase in the capital and surplus by issuing 20,000 new \$5 par value shares at \$10 per share. This will increase capital from \$400,000 to \$500,000, and add \$100,000 to surplus. Stockholders have until Nov. 15 the right to purchase one new share for each four shares held on Oct. 22.

### Rueful Object Lesson for Bound Brook

The citizens of Bound Brook, N. J., are all for the slogan "Make Every Week Fire Prevention Week."

They concluded fire prevention week on a Saturday with a parade of their fire department equipment, with high school bands and civic associations in line. The parade disbanded in a mass meeting in front of borough hall, where need for fire prevention was discussed.

Monday the borough hall was ashes. Fire destroyed the police radio and the fire alarm system in police headquarters. The police had to run two blocks for the fire department. Water pressure was low until pumpers arrived. This and the delayed alarm gave the fire a disastrous start.

Origin of the fire was undetermined, but burning rubbish and leaves near the hall were suspected.





Kansas derives its name from the Kansa (Kaw) Indians, the word meaning "Swift River." Coronado found no gold there in 1541 but noted the richness of the earth. Later, the young State's countrywide fame was of a political rather than productive significance, with competitive immigration, John Brown's raids, and new legislation making it the key State in the slavery struggle. In 1854, the Territory of Kansas was organized, and settlers flocked in, founding Leavenworth, Topeka, and many other towns. Council Grove has the famous Council Oak, Madonna of the Trail, and the old Kaw Indian Mission. The renowned Santa Fe and Oregon trails crossed Kansas seeking lucrative western goals, with the prairie schooner wheels cutting into unnoticed potential wealth... a soil destined to be the Nation's Bread Basket. 200,000,000 bushels of wheat are harvested annually, and her flour and grist mill production ranks first among the States. Besides furnishing much of the meat to go with our bread, other greatly diversified industries now prosper in the Sunflower State... where new insurance trails will be blazed.

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THE NORTH RIVER INSURANCE CO. . . . .	Organized 1822	WESTERN ASSURANCE CO., U. S. Branch . . . . .	Incorporated 1851
WESTCHESTER FIRE INSURANCE CO. . . . .	Organized 1837	BRITISH AMERICA ASSURANCE CO., U. S. Branch . . . . .	Incorporated 1833
THE ALLEMANNIA FIRE INSURANCE CO. of Pittsburgh . . . . .	Organized 1868	SOUTHERN FIRE INSURANCE CO., Durham, N. C. . . . .	Incorporated 1923

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## Bay State Agents Group Keeps Mongeau at Helm

By WILLIAM A. SCANLON

WORCESTER—Leo R. Mongeau of Lowell was reelected president of the Massachusetts Assn. of Insurance Agents at the annual convention here Monday and Tuesday. Dana J. Lowd, Northampton, was reelected vice-president and Harold D. Barnes, Pittsfield, was again chosen as national state director.

Four new men were named as regional vice presidents, they being Russell D. Chase, Springfield; Charles A. Mahoney, Woburn; Arthur B. Fair, Natick, and Robert M. Goss, Holyoke.

The Massachusetts agents adopted a resolution backing up the N.A.I.A. in its stand against branch office operations.

President Mongeau in his annual address reviewed the activities during the past year.

The finances are in good order, executive secretary Edmund G. Brown of Boston reported.

The legislative committee report was made by Chairman F. R. A. McGlynn, Worcester, and Phillip R. Brooks, Haverhill, reported as chairman of the membership committee that the association now has 710 members. There was no organized campaign for new members during the past year, but it is planned to put on a drive during the coming year.

Mr. McGlynn reviewed the bills before the legislature in 1946. He predicted next year's session of the Massachusetts legislature will be the most important ever held from the standpoint of agents.

P. H. Hadley, Bellow Falls, president Vermont Assn. of Insurance Agents, was a visitor.

Harvey T. Preston, Springfield, paid tribute to Carroll K. Steele, Gloucester, a former president. Mr. Steele has been a real spark-plug in the organization for the past 19 years.

Paul J. Woodcome, Fitchburg, was chairman of the resolutions committee while Mr. Steele was chairman of the nominating committee.

Worcester Mutual Fire was host at the luncheon Tuesday.

### Local Board Breakfast

The local board breakfast and discussion Tuesday morning drew a good crowd. Conrad Parker, Worcester, presided. Mr. Parker pointed out that there is a growing interest in local board activities. He urged the local boards to meet more frequently. He said some agents felt it was a waste of time to attend board meetings.

He said there are many instances throughout the state which prove the value of local boards and the participation by the agents in the discussions which take place at these meetings.

President Leo R. Mongeau, Lowell, and Carroll K. Steele, Gloucester, former president of the association and now chairman of the New England advisory committee, both raised their voices in praise of local boards.

At this session too the question of the 5% commission for countersignature of policies was brought out by Jeremiah J. Healy of Barre. Mr. Healy said that in many cases now the agent is being asked to write up the policy. He said an agent cannot afford to do this in many cases. He feels that it is time to ask the companies for more commission on brokerage business.

Another interesting session on Tuesday was the panel discussion on fire loss



Leo R. Mongeau

## J. C. Evans Heads Tex. Advisory Assn.

NEW YORK—J. C. Evans, vice-president of Great American, was reelected chairman of the Texas Insurance Advisory Assn., at its annual meeting here. He will also serve as treasurer. Other officers are G. S. Yeargan, vice-president of Trinity Universal, vice-president; and J. A. Travis, Floyd West & Co., Dallas, secretary. The following companies were elected to the executive committee: One year: American General, Continental, Firemen's, Hartford, Home, St. Paul F. & M.; two years: Great American, Gulf, National, Phoenix, Travelers, Fire Assn.; three years: Aetna, Commercial Union, Hanover, Royal, Springfield and Trinity Universal.

Mr. Evans presided and reported on the association's affairs. G. S. Wortham, president of American General of Houston, reported on rate questions as chairman of the general insurance committee, and Mr. Yeargan reported for the finance committee. Manager R. B. Cousins reported briefly on the work of the Texas Checking Office at Austin.

### John Cosgrove to Change

John N. Cosgrove is leaving the N.A.I.A. as editor of the "American Agency Bulletin" Dec. 1 to enter the daily newspaper field. He was formerly with American and Eagle Star and before that with American Reserve.

adjustments in the light of present day replacement values. The members of the panel were Emerson W. Elliott, Springfield manager Fire Companies Adjustment Bureau; Harvey R. Preston, local agent at Springfield, and Hayes H. Landon, Springfield, state agent of Agricultural. They brought out some actual happenings in connection with losses on various kinds of risks.

### Insurance Message to Public

Many questions and answers were offered relating to various items in the new broad dwelling coverage.

"An Insurance Message to the Public Through the Agent" was offered by Harry J. Landen, Boston, resident manager of Springfield F. & M., and chairman public relations committee Bay State Club.

Mr. Landen said the public view on fire insurance is very much disturbed. The public does not realize that fire insurance rates have been reduced around 40% since 1910.

He reviewed the work of the National Board, its radio activities, etc. He declared the company's contact with the public is through the agent and that the agent is partly responsible for the public's idea of fire insurance. He urged the agent to be well informed on the business and conduct his affairs always so that he will command the respect of the public.

### Roddy and Cronin Heard

At the closing session Whitney H. Roddy, Bloomfield, N. J., and Arthur D. Cronin, of Kaler, Carney & Liffier, Boston, were the speakers.

Mr. Roddy spoke on "Agency Promotion, Good Will and Why." He made a decided hit in his speech at the mid-year meeting of the National association and has already received invitations from 22 state associations to address their meetings.

Mr. Cronin, a most capable orator, spoke on "Regulatory Laws." He discussed public law 15 and made an urgent plea for the passage by the Massachusetts legislature in 1947 for a law which might be termed a "producers' bill."

Tuesday morning there was a closed session for members only at which Harold D. Barnes, Pittsfield, made a confidential report as national-state director. At this session also officers were elected and the report of the resolution committee was received.

## Federation of Insurance Counsel Plans Announced

At the annual meeting of the Federation of Insurance Counsel at the Marlborough-Blenheim hotel, Atlantic City, Oct. 26, one of the principal features will be a discussion on the future activities of the organization. An address will be given by Dr. S. M. Lindenbaum on "The Enigmas of Medical Evidence". President is H. B. Walker, Evansville, Ind., and secretary, John A. Millener, Rochester, N. Y.

### WAA Correction

WASHINGTON—Clarifying one feature of the THE NATIONAL UNDERWRITER's recent report on insurance activities with respect to war assets administration operations in disposing of surplus war properties, Hugh Stephenson, chief WAA insurance division, states there is no rate discount under the defense plant corporation liability form used by WAA.

He also says there is no limitation on commissions on fire and extended coverage for WAA, nor is there a discount on insurance related to leases of surplus property made through WAA.

It is recalled that Factory Insurance Assn. last spring directed that insurance under commercial leases by reconstruction finance corporation should take the full commission, and it is stated the full rate has been paid. WAA follows this same plan.

Under the RFC, the limitation on commissions and the rate discount apply where cost of insurance is reimbursed by the government.

### Neb. Fire Loss Higher

OMAHA—State Fire Marshal Iversen told the Nebraska State Volunteer Firemen's convention here that Nebraska fire losses are increasing this year, with 1,154 fires so far with a property loss of \$2,130,000. This is 154 more than in 1943 when property loss was nearly \$2 million.

### Chicago Rally Nov. 4

The annual meeting of the Chicago Insurance Agents Assn. has been postponed to Nov. 4. It was to have been held Oct. 28.

### New Millers Mutual, Pa., Head

Charles M. Hutchison, vice-president of Millers Mutual Fire of Harrisburg, has been elected president to succeed the late H. V. White. W. Stadden Williams has been advanced from secretary to vice-president and Mead D. Hager, treasurer, has been given additional duties as secretary. Mr. Williams has been elected a director to succeed Mr. White and R. M. Hartzell has been named to the executive committee.

Mr. Hutchison has been with the company since 1920, serving successively as assistant secretary, secretary and vice-president. Mr. Williams and Mr. Hager joined Millers Mutual in 1922, the former advancing from assistant secretary and the latter serving as auditor and assistant treasurer.

### Gray Talks to Tobacco Men

Theodore M. Gray, executive secretary Ohio Assn. of Insurance Agents, addressed the Ohio Assn. of Tobacco Distributors at its convention at Columbus. He spoke on "Your Hidden Risks Which May Be Insured," outlining the many hazards of doing business which may be covered by modern insurance protection.

### Wirthlin Independent Adjuster

Charles R. Wirthlin, former Cincinnati claim manager for American States, and at one time with Travelers, has opened Tri-State Associates, an independent adjusting firm, with office at 403 St. Paul building, Cincinnati. The firm will handle investigations and adjustments for fire, casualty and life companies.

## Corroon & Reynolds Makes Realignment Due to Inglis' Death

### Broader Duties for Wilde, Thomsen—Bundow, Owen to Head Office

The Corroon & Reynolds organization has made a number of changes following the recent death of Vice-president E. S. Inglis.

Vice-president R. R. Wilde has succeeded to the duties of Mr. Inglis in general supervision of agency underwriting throughout the country. He will be assisted by Vice-President H. J. Thomsen.



R. R. Wilde

The following veteran employees have been elected assistant secretaries of each of the group companies:

August Arleth, Fred K. Lofink, Carl H. Bundow, J. Walter Harras, Thomas F. Allen.

### Wilde Started in 1911

Mr. Wilde had been associated with Mr. Inglis over a long period of years, both with Corroon & Reynolds and prior to that with North British & Mercantile. He started with North British in 1911 and advanced to assistant general agent of the western department, leaving that organization to join State Assurance as assistant U. S. manager in charge of underwriting. When the management of State was taken over by Royal Exchange Mr. Wilde went along in an official capacity, from which company he resigned in 1928 to become associated with Corroon & Reynolds as immediate assistant to Mr. Inglis, and was in direct charge of both the eastern and western departments. Mr. Wilde is also commissioner of finance in his home town of Glen Rock, N. J.

### Career of H. J. Thomsen

Mr. Thomsen was for a number of years associated with the North British, and was secretary of the company at the time of his resignation, when he joined Crum & Forster to assume underwriting duties. He joined Corroon & Reynolds in 1928, assisting Mr. Inglis in direct charge of the southern department, later assuming direct charge of the eastern department. In addition to the southern department he will now assume supervision of the underwriting in the western department. Assisting Mr. Thomsen in the western department will be Mr. Arleth and Mr. Lofink.

Mr. Bundow, who has been state agent in Kentucky and Tennessee, is being called to the home office and is to take over direct supervision of the southern department. Prior to going in the field, Mr. Bundow was an underwriter at the home office. Mr. Harras will assist Mr. Bundow in the southern department.

Mr. Owen who, for the past several years has been secretary in charge of the Philadelphia office, is also being called to the home office and will be in direct supervision of the eastern department. Mr. Owen was also an underwriter at the home office before going in the field and he has traveled extensively in the eastern territory. He has spent his entire career in the insurance business. He will be assisted in the eastern department by Mr. Allen.

### Named Acquisition Directors

Lee Campbell and Jesse W. Bishop have been appointed regional acquisition directors of Iowa Farm Mutual and Iowa Life, both operated by the Iowa Farm Bureau Federation.



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## THE WHITE CAT'S *Out of the Bag!*

Agents of Indemnity Insurance Com-  
pany of North America last week *let  
the cat out of the bag.*

For ages, a mean, old, black cat  
has been the omen of misfortune,  
hard luck and negative ideas!

The White Cat, however, accen-  
tuates the positive. It is used to iden-

tify Indemnity's first post-war sales  
campaign on Accident insurance and  
is a symbol of GOOD LUCK for both  
policyholders and agents.

If you are interested in what's "in  
the bag," ask the Indemnity fieldman  
or the nearest North America Serv-  
ice Office.



INSURANCE COMPANY OF  
**NORTH AMERICA**  
COMPANIES. *Philadelphia*

INSURANCE COMPANY OF NORTH AMERICA  
THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA

INDEMNITY INSURANCE COMPANY OF NORTH AMERICA  
PHILADELPHIA FIRE AND MARINE INSURANCE COMPANY

## Frozen Food Lockers Promise Good Market for Insurance

NEW YORK—Deep-freeze food locker business bids fair to become a major industry as soon as shortages of material are overcome, and inland marine insurers are watching the field with interest.

One construction company alone planned to build 5,000 deep freeze locker units this year, but will be unable to carry out its program until compressor units, piping and other materials are available. Any company in the air conditioning field is able to produce such units. Some large companies have worked out master plans whereby an individual constructor can build units of various sizes using pre-fabricated devices and thereby cutting down on costs.

There is a particularly large market for refrigeration in rural areas, where meat is slaughtered on the farm, and in parts of the country where game is plentiful.

One device of interest to insurers who provide coverage against faulty refrigeration is the American locker room recorder. This instrument keeps track

of temperatures and its testimony will stand up in court. A customer who puts food in faulty condition into his locker and upon taking it out claims that it has spoiled in the custody of the proprietor cannot hold him liable if temperatures have been satisfactory during that period.

### Excess Clause Feature

Usual perils included in the cold storage locker room policy are fire from any cause, explosions, theft, windstorm, sprinkler leakage, earthquake, and transportation risks by public carriers. Such a policy ordinarily excludes property of the assured, theft of goods or packages left in delivery vehicles over night, loss resulting from carelessness or unaccountable loss where there is no evidence that the loss was occasioned by the perils specifically insured against, loss caused by temperature changes resulting from damage unless directly caused by perils of fire, lightning, explosion, tornado or windstorm, in situations covered by the policy. The policies also

usually carry something in the nature of an excess clause under which no payment is made if other insurance covers the risks assumed.

Many companies do not write cold storage locker room policies because of the low rate. However, individuals may protect themselves under personal property floaters or 10% off premises fire. If construction builds up large values in cold storage locker rooms, however, more companies may be willing to insure those plants.

### Income Tax Statistics

Stock fire and casualty companies paid federal income taxes of \$80,727,000 for 1943 according to statistics put out by the Treasury Department. Of this amount \$64,021,000 was straight income tax, \$9,000 was declared value excess profits and \$16,697,000 was excess profits tax.

The net income was \$248,645,000. There were a total of 753 returns and of these 582 were returns with net income.

Mutual fire and casualty companies paid taxes of \$5,682,000, all of which was straight income tax. The net income was \$16,558,000. There were 438 returns and of these 392 had net income.

## Gives Four Principles for Local Agency Success

L. J. Ackerman, dean of the school of business administration of the University of Connecticut, in an address at the meeting of the Mutual Insurance Agents Assn., New England, brought out four basic principles on agency success.

Planning is the first. He mentioned several systems that have brought success. One agent carries 10 beans in his pocket and when he makes a call, transfers it to another pocket. When he has used up his 10 beans, he calls it a day. Another agency maintains a deluxe office. One person has charge of prospecting, another supervises collections, another handles personal surveys, etc. One agent starts the beginning of each year by seeing every school teacher, then every doctor, then every accountant, down the line.

Planning is important. It defeats time wasting and an aimless method of trying to find business. Plans can be made up, borrowed, stolen, but they should be obtained, he emphasized.

A second fundamental is time control. Instead of "putting in" 200 hours a month, the agent should "work" 200 hours a month.

The agent must consider that his job consists of getting new prospects; making contacts; preparing surveys and sales presentation; closing interviews; service; office detail; planning and keeping records; and study.

Mr. Ackerman said he knows an agent who gets up at 7 o'clock and is ready to leave by 7:45. Because he can't see anyone at 7:45, he studies until 8:45. This is time control. The agent keeps up with the business and at the least cost to himself. This same agent, at the end of his working day, comes home and plans his next day's work. He is free every evening after 6 o'clock.

Record keeping is another, essential. The agent should check constantly on his sales and office efficiency. He should know the ratio between calls and sales interviews; sales interviews and number of sales. From that he can find the dollar value of each call, interview, working hour and sale. He knows what his time is worth.

The fourth fundamental is motivation. Mr. Ackerman emphasized that the agent's job is not to pressure a prospect into buying, but rather to interest him in a product sufficiently so that he will want to buy. The agent does not want to lead the horse to water, he wants to make him thirsty.

## Urge Trade Groups Support Higher G. I. Ceiling Move

LANSING, MICH.—Efforts are being made by the Michigan Assn. of Insurance Agents to gain united support of other state trade organizations seeking to persuade Congress to rescind a law fixing low ceilings on subsistence pay granted war veterans taking on-the-job training under the G. I. bill of rights, an action taken shortly before its adjournment.

The association states that there has been no growth of the plan and that there have been some withdrawals since the new ceilings. Similar situations are being reported by other trade organizations in Michigan. The association is confident that a concerted drive by trade organizations throughout the nation could obtain congressional action next session giving a reasonable program. A \$400 ceiling for combined subsistence pay and wages is advocated, as well as extension of the two-year period to four years.

The association advises also that insurance men are generally lending full support to a constitutional amendment proposal being submitted to voters Nov. 5 permitting Michigan to take full advantage of federal subsidies for airport building.



## The watchdog of public relations

The agent is the watchdog of insurance public relations. He is the direct representative of a great industry and can influence public reactions most effectively. A quick look at the papers or the magazines or a few minutes at the radio will show one thing—that far-seeing businesses are regularly fur-

nishing people with information about their services in an effort to gain public acclaim. Such bids for favor are more pronounced when the service offered is more than people would ordinarily expect. Fire and accident prevention programs provide logical contacts for insurance public relations.



The agent knows that insurance is a personal matter. Just the right amount plus just the right kind equals "protection."

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## Ohio Farmers

INSURANCE COMPANY • LEROY, O.

Chartered 1848

MEMBER • THE NATIONAL BOARD OF FIRE UNDERWRITERS



THE INSURANCE AGENT IS A GOOD MAN TO KNOW



**OLDEST  
FIRE ENGINE  
IN THE U.S.A.  
1749**



from the Beltman Archive

This pre-revolutionary fire engine was but little more than a well-on-wheels, but it did a good job in its day.

Great changes have taken place since Washington was a boy. And the tempo of change has constantly accelerated. Yesterday's "Newest" can be Today's antique—even in expertly written insurance policies. The NATIONAL FIRE GROUP is rich in past experience, yet keeps in step with Today—with an eye on Tomorrow.

Thus NATIONAL FIRE GROUP agents—and their policyholders—are better served.

*The National Fire Group*

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD  
MECHANICS and TRADERS INSURANCE COMPANY

FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK  
TRANSCONTINENTAL INSURANCE COMPANY

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EXECUTIVE AND ADMINISTRATIVE OFFICE, HARTFORD 15, CONN.

WESTERN DEPARTMENT

175 W. JACKSON BLVD., CHICAGO 4, ILL.



PACIFIC DEPARTMENT

234 BUSH STREET, SAN FRANCISCO 20, CAL.



MEMBER THE ASSOCIATED AVIATION UNDERWRITERS

## NEWS OF FIELD MEN

### Swazee Wis. State Agent for Northern

Carl W. Swazee has been named state agent for Wisconsin by Northern Assurance. He will have headquarters at 712 North Sixth Street, Milwaukee. He succeeds A. E. Smith, who resigned last month to become state agent for New Hampshire.

Mr. Swazee entered the insurance field in 1938 and has had field and home office experience. For the past four years he was Indiana special agent for Home.

### Gorder in Chicago Norwich Union Post

Norwich Union Fire has appointed Frederick Gorder as Cook County manager, succeeding K. S. Ogilvie who recently joined Western Underwriters Assn.

Mr. Gorder will also continue as Illinois state agent for Norwich Union.

Eagle, and Norwich Union Indemnity. He has been with the group for 3½ years.

Mr. Gorder started with National of Hartford at Chicago and later with Chicago F. & M. Then for nine years he was in the field and home office of the Kemper companies, his last position being chief underwriter. He is presently vice-president of the Illinois Fire Underwriters Assn.

### Boston, Old Colony Divide Ohio Field

Boston and Old Colony have divided the Ohio field into three districts. The present Columbus office will be left intact, but a new northeastern Ohio office is being opened at 615 Swetland building, Cleveland, in charge of Clarence W. Brown, Jr., as state agent. A Cincinnati office, for which an executive agent has not yet been selected, is to be opened later.

Mr. Brown, a graduate of Armour Institute in 1937, was with the Ohio

Inspection Bureau until 1942 and after that, except for two years in the navy, was with Atlas.

A new Detroit service office, whose territory will be confined to Wayne county, is being opened shortly, in charge of Curtis A. Wuhs. Mr. Wuhs is a graduate of Lake Forest College in 1936 and has been with Hartford Fire since 1937. He also served two years in the navy during the war.

### Valine Named Minn. State Agent for Connecticut

T. A. Valine, Jr., has been appointed state agent in Minnesota for Connecticut Fire. Mr. Valine has had extensive experience in the insurance business, most recently as special agent at Minneapolis in inland marine department of Connecticut. His headquarters will be in Minneapolis.

### Outstanding Prevention Job by Smoke & Cinder Club

The fire prevention committee of the Smoke & Cinder Club at Pittsburgh did an outstanding job on fire prevention week. The committee is headed by J. A. Larimer, Commercial Union. By the opening of fire prevention week proper, approximately 40 speeches had been made before various service clubs in the territory and almost another 40 had been scheduled for the week.

The committee worked out spot radio announcements, and these were carried by several stations. Copies of the material for the announcements were sent to newspapers and the suggestion made that they be used as fillers throughout the year.

### Plastics Hazards Told

BOSTON—M. M. Braidech, director of the research division of the National Board, outlined the fire hazards of the rapidly growing plastic industry at the Bay State Club's October dinner. The principal plastic plants were praised for their employment, generally, of protection methods and protection engineers, and Mr. Braidech said that

### Has Army Promotion



HOWARD S. SEARLE

Howard S. Searle of Topeka, Kan., who has been state agent for Kansas for Crum & Forster for 14 years, has been promoted to brigadier general and named assistant commander of the 35th division of the national guard.

General Searle is a past most loyal gander of the Kansas Blue Goose, past president of the Kansas Fire Underwriters Assn., and past president of the Kansas Fire Prevention Assn. During the war, he was deputy chief of staff of the VII Corps, which led the Normandy invasion.

under ordinary conditions there are no great fire hazards. The biggest hazard is dust, as some materials and some forms of plastics might lend themselves to this risk. Attention should also be paid to the protection of the dies and forms used, which are very valuable and subject to damage from water. The industry is doubling itself every three years and the demand for raw material is now four times the available supply.

### Weiss to Chicago Post for Glens Falls Group

Glens Falls group appointed Albert J. Weiss executive special agent for Chicago and surrounding metropolitan district. He will have supervision of the area for fire and casualty insurance, and will assist in the underwriting and service departments.

Mr. Weiss joined Glens Falls as a counterman at Chicago in 1929 and in years later was appointed special agent for northern Illinois and Indiana.

### Beeson to Crum & Forster

J. Price Beeson has resigned as Portland manager for Fred S. James & Co. to go with Crum & Forster as a field man, associated with R. B. Taylor, special agent in Oregon. He was with Kaiser shipyards' insurance division during the war.

### Holmes, Jr., Joins Hartford

John Holmes, Jr., whose father is the insurance commissioner of Montana, has become special agent for Hartford Fire out of the Seattle office. He will be associated with F. P. Guptill, senior fire field man for Hartford in western Washington. He was recently released from the army.

### Schlosser Heads Cal. Group

Paul Schlosser, special agent at Oakland for Phoenix Assurance and most loyal gander of the San Francisco Blue Goose, has been elected president of the Central-Northern California Fire Underwriters Assn., until recently known as the Special Agents Assn. of Central-Northern California. He succeeds Charles B. Stewart, who resigned when he was appointed assistant manager of Home at San Francisco.

### Johnson to Minneapolis

Carl A. Johnson, former state agent in Minnesota for United States Fire, and more recently eastern Michigan state agent of Phoenix of Hartford at Detroit, is returning to Minneapolis to join the Don Miller agency.

### Seattle Loses Golf Match

The Seattle Blue Goose lost the first round of its home-and-home series of golf matches with the British Columbia pond, when the Seattle team travelled to Vancouver to play for the A.

## FIRE PREVENTION ENGINEER

A graduate engineer with a lot of good experience and a real worker. This man has a lot on the ball and will travel. Any territory.

### FERGASON PERSONNEL

Insurance Personnel Exclusively  
166 W. Jackson Blvd. Har. 9040



American Equitable Assurance Company of New York  
Organized 1918

Globe & Republic Insurance Company of America  
Established 1862

Merchants and Manufacturers Insurance Company of New York  
Organized 1849

New York Fire Insurance Company  
Incorporated 1832



**Corroon & Reynolds, Inc.**

MANAGER

92 William Street, New York

Losses paid exceed Three Hundred Million Dollars



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In December of this year the American & Foreign Insurance Company will have completed fifty years of successful operation and gratifying growth.

# OUR *Fiftieth* ANNIVERSARY

On the occasion of our 50th milestone we extend to all American & Foreign agents our sincere thanks for their loyal support and in the hope that we may merit its continuance we pledge our best cooperation in the years to come.



AMERICAN & FOREIGN INSURANCE COMPANY

*Member of the* ROYAL-LIVERPOOL GROUP

150 WILLIAM STREET, NEW YORK 8, N. Y.

Z. DeLong trophy. The second round will be played at Seattle next spring. Seattle pond now trails by 2½ points. The Seattle pond holds its monthly dinner meeting Oct. 25. A social hour will precede the dinner.

### Ford to Dubuque in S. F.

Ambrose F. Ford has been appointed special agent at San Francisco of Dubuque F. & M. He will cover the coast territory north of San Francisco. Mr. Ford, who served more than four years in the army, has been at the home office for a month before taking up his new work.

### Conklin N. J. Field Speaker

The New Jersey Field Club will hold a luncheon meeting at Newark Oct. 28, when John C. Conklin, newly elected president of the New Jersey Assn. of Insurance Agents, will speak on "The Agents Association and the Field Man."

### Talk on Liquid Nitrogen

At the monthly educational meeting of the Oklahoma Blue Goose Oct. 28, M. G. Wicker, district manager Air Reduction Sales Co., will demonstrate the various uses of liquid nitrogen. Local agents and ladies of both organizations are invited to attend.

### K. C. F. & M. Field Men Meet

A three-day meeting of field men of Kansas City F. & M. was held at the home office. The meetings were devoted principally to a discussion of ways of giving better service to agents.

### Illinois Field Meeting

The quarterly meeting of the Illinois Fire Underwriters Assn. will be held at 1 p.m. Oct. 29 in the Chicago Board rooms. Ross J. Harmon, Springfield, state agent of Home, is president.

## Dame Advanced by Crum & Forster

Crum & Forster has appointed D. K. Dame as state agent in Illinois to succeed R. H. Gregg, who was recently transferred to the western department as agency superintendent, in charge of farm and hail.

Mr. Dame has been Mr. Gregg's chief assistant since he joined Crum & Forster in 1939. He was born at Rockford, Ill., got his first training with Security of New Haven, was with American in its underwriting department for a number of years and traveled in Illinois territory for eight years prior to his connection with Crum & Forster. While at Rockford he graduated from the Insurance Institute of America and was president of the Rockford Insurance Club for two years.

His headquarters will remain in the Citizens building, Decatur.

## CHICAGO

### EXAMINERS HOLD FIRST MEETING

E. N. Davis, rubber research chemist of Underwriters Laboratories, speaking at the first meeting this year of the Chicago Assn. of Fire Insurance Examiners, reviewed the general properties and manufacture of typical thermosetting and thermoplastic resins, with a discussion of the fire hazards involved.

He called attention to the wide field covered by the general subject of plastics, and said it should be separated into its various phases in order accurately to determine the risk, much as is the steel business.

Oscar Gray, America Fore, president, was in charge, and 48 members attended.

### LAUTRELL MAKES CHANGE

Virgil C. Lautrell, who has been specializing for several years in insurance defense work, has joined the Chicago law firm of Arrington, Fiedler & Healy. For the past four years he has been with Deftrees, Fiske, O'Brien & Thomson, and his work was mainly in life insurance. He practiced law for some time at Aledo, Ill., and while there had considerable experience in casualty defense work. He was assistant state's attorney when he was at Aledo and is a former judge advocate of the Illinois American Legion.

Russell Arrington of Mr. Lautrell's new firm is a state senator. He is vice-president of Combined Mutual Casualty.

### D. J. SPENCER JOINS FIRM

Donald J. Spencer has completed a nine month training course at the home office of General Accident and Potomac and has returned to Chicago, where he will become associated with his father and brother in the insurance brokerage firm of Spencer & Spencer. Donald Spencer served three years with the American division, 22 months of which he was in active combat in the South Pacific, Philippine Islands and Japan.

### J. F. Gilliams Is Elected Chairman of N.A.U.A.

John F. Gilliams, president of Camden Fire, has been elected chairman of National Automobile Underwriters Assn. Ellis H. Carson, assistant U. S. manager of Royal-Liverpool, is vice-chairman.

The advisory committee of N.A.U.A. consists of Philip C. Abney, Loyalty group, Newark; R. I. Catlin, Automobile; John H. Dillard, Fireman's Fund, Atlanta; F. W. Doramus, American; Tudor Jones, Aetna Fire, Hartford; Milton Kennedy, Hartford Fire, San Francisco; and C. W. Ohlsen, Sun, Chicago. Thus the advisory committee gives a good geographic representation.

### Give Program for Fire Waste Council Meeting

WASHINGTON—In addition to regular business to be transacted at the annual meeting of the National Fire Waste Council here Nov. 1, five speakers will address the meeting. Attendance is expected to be about 125. This and the luncheon scheduled for the Mayflower Hotel are somewhat contingent upon the local hotel strike being settled by that date.

John North, vice-president of Phoenix of Hartford, general chairman of the meeting, will give the opening address. William Dower, manager Hartford Chamber of Commerce, will speak on, "The Dollar and Cents Value of Fire Prevention to a Community." A. B. Paulsen, Michigan district chairman National Fire Waste Council, will describe the problems of the field.

James L. Madden, vice-president of Metropolitan Life, will address the council on, "The History of Fire Prevention Work During the Last 24 Years."

George Elliott, assistant to the president Philadelphia Chamber of Commerce and chairman of the council's executive committee, will outline the revitalized fire prevention activities as proposed for 1947.

American Farm Mutual, Chicago and Penn Mutual Fire, West Chester, Pa., have been licensed in Ohio.

## Outside Event Rain Cover Sales Boom

There has been a great increase this year in the sale of rain insurance covering sporting events, fairs and other outdoor activities and so far the experience has been favorable. The tremendous number of outside events in this first post-war year and the huge crowds that attend them explain the upsurge. To draw in favorable weather means loss of ticket revenue to promoters.

To match this volume, there has been little rain in several sections, particularly in the Great Lakes states.

This cover became virtually extinct during the war. Sales were large in the late '20s, but when the poor experience forced companies to raise rates, sales dropped off sharply and were reduced to practically nothing during the depression. Sales were rising when the war knocked them down again.

### None on World Series

This coverage is seldom written on events for which most tickets are sold in advance. In this category fall the world series, professional football and games of the larger colleges.

The principal risks on which rain policies have been written are fairs, carnivals and rodeos. Outings, semi-professional baseball, lawn parties, dances and school activities have been covered. Athletic contests are insured both from the point of reduced ticket receipts on the day of the game and reduced sales made by concessionaires.

Auctions and sales of various sorts have been covered, and it is expected that when department stores must again press for business, they will begin insuring special sale days.

Rain cover has been particularly well received in sections of the country with year-round climate where more outdoor events can be held.

### Alien Property Custodian Tells of Insurance Wards

WASHINGTON—Submitting a terminal report with his resignation, Alien Property Custodian Markham tells of operations of his office in connection with seizure of enemy insurance properties in this country. Uncompleted functions of the office are transferred to the Department of Justice for administration.

There are here, he reports, eight insurance companies in which the custodian has a vested interest: in four New York agencies all excess proceeds have been vested; in two, the majority of the capital stock; and in two, all assets. The New York superintendent of insurance is supervising the liquidation of five of the companies, and two are being liquidated by the custodian's Honolulu office.

The New York insurance companies will probably soon be in a position to turn over their remaining excess assets amounting to approximately \$1 million. In previous years, \$11 million of excess assets has been distributed to the office. Liquidation of insurance companies involves problems similar to those encountered in banks.

The eight enemy-owned or controlled insurers seized by the government during the war period were:

American Citizens Life, Columbus, owned by General of Italy; General of Italy itself; Meiji Fire, Nikka Life, Nippon Fire, Pilot Reinsurance, Sumitomo M. & F., and Tokio M. & F.

### Turkey Results Favorable

Barring a catastrophic storm in the next two or three weeks, turkey underwriters are going to come through the season with a most favorable experience. One of the largest turkey writers, Farm Owners Mutual of St. Paul, now has inspectors throughout this territory checking up on protective shelters for the birds not yet marketed. A considerable part of the company's liability has already expired and few extensions are being asked.



**THE CHARTER OAK FIRE INSURANCE COMPANY**  
Hartford, Connecticut  
One of The Travelers Companies

## Utah Home Fire Insurance Company

HOME OFFICE  
SALT LAKE CITY, UTAH

### GENERAL AGENCIES

A. B. Knowles & Company, Inc. .... Colman Bldg., Seattle, Washington  
A. B. Knowles & Company, Inc. .... 114 Sansome St., San Francisco, California  
A. B. Knowles & Company, Inc. .... 175 Jackson Blvd., Chicago, Illinois  
Cobb & Stebbins ..... Gas & Electric Bldg., Denver, Colorado  
Hober J. Grant & Company ..... 20½ South Main, Salt Lake City, Utah  
Lamping & Company ..... Colman Bldg., Seattle, Washington  
Lamping & Company ..... Spalding Bldg., Portland, Oregon  
Southwestern General Agency ..... Title & Trust Bldg., Phoenix, Arizona



FIRE · MARINE · CASUALTY · SURETY

Loyalty Group  
INSURANCE

## EXCERPT FROM BEST'S 1946 INSURANCE REPORTS

A very notable improvement in the general position of the Firemen's fleet, brought about by sound underwriting practice, efficient management, and a conservative investment policy, is evidenced by a comparative statement of the assets and liabilities as of the close of the years 1935 and 1945.

## ASSETS

	Dec. 31, 1945	Dec. 31, 1935
Real Estate . . . . .	\$4,633,561.	\$6,596,844.
Mortgage Loans . . . . .	4,414,956.	11,599,897.
U. S. Government bonds . . . . .	30,518,172.	3,181,284.
F. M. C. bonds . . . . .	450,000.	4,580,000.
Other bonds . . . . .	7,922,392.	11,704,579.
Common stocks . . . . .	15,801,849.	7,656,842.
Preferred stocks . . . . .	16,781,645.	3,985,942.
Cash . . . . .	5,911,186.	2,075,852.
Premium balances . . . . .	7,635,854.	5,245,868.
All others . . . . .	1,734,017.	1,757,004.
Market value adjustment . . . . .	580,445.	357,670.
<b>TOTAL . . . . .</b>	<b>\$96,384,077.</b>	<b>\$58,741,782.</b>

## LIABILITIES

	Dec. 31, 1945	Dec. 31, 1935
Loss reserves . . . . .	\$20,694,505.	\$11,359,513.
Unearned premiums . . . . .	44,085,268.	24,667,204.
Perpetual deposits . . . . .	458,449.	552,659.
Miscellaneous . . . . .	7,479,839.	3,341,097.
<b>TOTAL . . . . .</b>	<b>\$72,718,061.</b>	<b>\$39,920,473.</b>
Capital . . . . .	9,397,690.	9,397,690.
Net surplus . . . . .	14,266,518.	9,386,520.
Minority interest . . . . .	1,808.	37,099.
Policyholders' surplus . . . . .	23,666,016.	18,821,309.
<b>TOTAL . . . . .</b>	<b>\$96,384,077.</b>	<b>\$58,741,782.</b>

## HOME OFFICE

10 Park Place  
Newark 1, New Jersey

PACIFIC DEPARTMENT  
220 Bush Street  
San Francisco 6, Calif.

SOUTHWESTERN DEPARTMENT  
912 Commerce Street  
Dallas 2, Texas

CANADIAN DEPARTMENTS  
465 Bay St., Toronto, Ontario  
535 Homer St., Vancouver, B. C.

WESTERN DEPARTMENT  
120 So. LaSalle Street  
Chicago 3, Illinois

FOREIGN DEPARTMENT  
111 John Street  
New York 7, New York

# POINTERS FOR LOCAL AGENTS

## Chicago A. & H. Forum Told of Sales Ideas That Click

Methods they have used with success in selling accident and health insurance were outlined by a number of Chicago producers and one from outside the city at the sales forum conducted by the Chicago Accident & Health Assn., before an audience which practically filled the Chicago Board auditorium. Walter C. Kummerow, Continental Casualty, president of the Chicago association, opened the session and then turned it over to Clayton F. Lundquist, Fred S. James & Co., who presided throughout the forum.

### Organizing Visual Material

The value of preparation for the sale, especially along the line of organizing visual material was stressed by Glenn Neale, Hartford Accident, Stevens Point, Wis. Each night he prepares a daily prospect file for the following day and, to avoid fumbling with cards, has it in the form of a sheet that is incorporated

in a portfolio which is the big feature of his selling method, and which he exhibited and demonstrated.

The sheets comprising the portfolio are placed in cellophane folders about 5½x8½ inches, which become a part of the portfolio itself. Several sheets are devoted to clippings on local accidents. There is one sheet of clippings of less sensational accidents which might happen to anyone. One that he has used with especial effect tells of a case where a bee sting was fatal. There are also photographs of bad accidents and copies of letters showing claims adjusted to the satisfaction of well known citizens. One letter he always carries shows where the company paid for loss of time resulting from poison ivy infection. Another is regarding a claim paid for injuries caused by a fall in a trout stream. He has a partial list of policyholders, particularly those who are well known. He asks them for permission to use their names in such a list and has found only one who objected to it.

He also includes in his portfolio a number of sheets of yellow scratch paper cut and punched to fit, so that he doesn't have to hunt in his pocket for a pad. His application blanks are folded and punched to fit the portfolio and so from the time he starts the interview he has everything convenient for making the presentation and completing the application, even to the final name on the dotted line.

"I have found that if I have everything organized in my portfolio, I can work faster and write more business," Mr. Neale said.

He considers it of primary importance for the agent to know his own policy and also his competitor's, but not with the idea of knocking it out. Even if the prospect already has an accident policy, he probably is underinsured, so that Mr. Neale tells him to keep his present coverage and then writes an additional policy to bring the total amount of indemnity up to what he really needs.

### Closing on the Telephone

H. A. Graham, Aetna Life, said he believes an organized sales talk is best. Prepared material should be used at every point of the sale. It should be systematized so that to every objection there is an answer and most objections are already foreseen. In this type of presentation the agent is on the offense and knows what is coming. The prospect must defend himself and his views without being able to draw on any wide number of facts.

Mr. Graham does his greatest business by telephone. He starts with a prospect list of 50 and mails letters at the rate of about five or six a day. The letters are principally to arouse interest and are not expected to produce replies.

Then he calls each prospect the next day. He tries to close on the telephone. If he cannot do this, then he gets an interview.

### Uses Prepared Answer List

While he is speaking, Mr. Graham has before him a list of answers to principal objections. Whenever the prospect starts an objection, Mr. Graham lets him finish and then takes the answer most nearly applicable to that objection and reads it off.

At the start of the call, Mr. Graham merely says: "Mr. Prospect, my name is H. A. Graham. I am an insurance broker and I sent you a letter the other day.

Do you remember getting it?" Then he explains how A. & H. insurance will protect earning power, carrying along until the first interruption.

Should the prospect say that his insurance premiums already are costing too much, Mr. Graham says: "Mr. Prospect, you probably have insurance on your home, your furniture, your car, etc., but even if they were not insured and you had a loss, you could eventually replace those as long as you had your earning power, but if you lose that, you would lose everything."

### Builds Up Service Features

Often the answer may be that the prospect's company will continue paying his salary. Mr. Graham points out that A. & H. "comes to the hospital and pays all bills, and in addition, pays the family \$50 a week, even if there is a disablement for life."

"Mr. Prospect, would your company do that much for you? My company will, for only a few cents a day."

Mr. Graham does not pay a great deal of attention to his prospect's objections; he gets his points across whenever there is an opening. If the prospect will not close on the phone, he asks for an interview. He does not ask if he may come over, but suggests two days and hours and makes the prospect choose.

### VISUAL SALES AIDS

In the personal interviews, Mr. Graham asks the man to estimate his future earnings on a card. He does not look at the answer nor does he look at the figures the man is putting down. He does not question the prospect as to what he is making. He knows the answer will be substantial and when the prospect has worked his future earnings out, Mr. Graham asks if that sum of money were laid on the desk, whether the prospect would hire an agent to guard it with a gun for 15c a day? This is what his company does, he emphasizes.

### A. & H. No "Piker Product"

B. H. Groves, Chicago manager of Travelers, spoke on "Accident Insurance As Property." He pointed out that A. & H. insurance substitutes a property value for human life values. Property and human values are the only two existing today, Mr. Groves said.

The accident and health man may point out that he is not dealing with a "piker product." He is selling real property and of high value. He is protecting income and other properties which may become endangered at time of disablement.

Accident and health can pay off, Mr. Groves said. A man selling \$100 in premiums per month for five years, and with a 10% lapse ratio will sell about \$49,000 in premiums and have a commission of a little over \$4,000. If he starts at age 30 to 35, at 65 he will still have \$200 left in force with a 10% lapse ratio. He is making money while selling the most permanent and valuable insurance policy on the market.

Mr. Groves then noted that there is no such thing as a Class A risk any more. People are forced into doing odd jobs around the home and office because of the shortage of help. They get on ladders to take down screens or put up storm windows and do other jobs that ordinarily would be taken care of by a hired man. The good risk is exposed to hazards not ordinarily expected. He is getting a big bargain in accident and health.

Selling franchise contracts to employed groups too small to be eligible

for group insurance was discussed by Jay De Young, manager for Continental Casualty.

Mr. De Young pointed out that this market is in a poor classification for individual A. & H. policies. The cost is too high and prospects' income is, for the most part, already mortgaged for automobiles, refrigerators and other installment plan goods.

Moreover, these groups present a huge open market and they are the people that will, if not covered some way, put up a big howl for some state or federal insurance scheme. Thus it becomes a responsibility for the A. & H. man to get this market insured, he said.

### Air Accident Covers

E. L. Stephenson, manager at Chicago for Associated Aviation, discussed available aviation accident coverages and markets. He said there are presently nine markets writing accident insurance on passengers and pilots. Passengers can get policies at rates as low as 85c per \$1,000 and medical reimbursement at \$1.50 per \$500 and 50 cents for each additional \$100.

Pilots can be covered at \$5 per \$1,000 which will include their passenger trips.

Air accident insurance offers an opportunity to round out a life insurance program. Many companies still have limits or exclusions on air travel and these may be handled by quoting only one premium although using two policies, he said. Thus when a man pays his premium he knows he is getting a completely filled out life insurance program.

### Opportunities in Writing Group

Lawrence S. Burtis, group manager of Connecticut General Life, Chicago, speaking on opportunities for group insurance, said the primary reason for group coverage of any kind is to bring about a more efficient, stable working force. He outlined the various coverages available under the group forms and said that an individual sale often affords an entree for selling a group case, while on the other hand, a group sale may bring many individual sales in its trail.

He took up the writing of group in connection with collective bargaining agreements, which the unions now are demanding very generally. He said the employer who waits for such a demand to be made before installing it can retain the administration of it and get credit for it, while if he is forced into it, he probably will lose the administration.

(CONTINUED ON PAGE 38)

## WANT ADS

### WANTED FIRE ADJUSTER

Progressive company offers excellent opportunity on west coast to young man with claims or related insurance experience which would qualify him for adjusting work. In reply state personal history, experience and salary expected. Address H-95, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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Very choice midwest local agency. 1946 production about \$36,500. Address J-2, The National Underwriter, 175 West Jackson Blvd., Chicago 4, Illinois.

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## Eye Differences in Trial of Aviation Accident Cases

The presentation of evidence in an aviation accident case differs substantially from that in any other kind of litigation. This was brought out at the forum on aviation insurance law during the meeting of the International Assn. of Insurance Counsel.

The salient differences in the preparation and trial of aviation cases, said Forrest A. Betts, Los Angeles, in his paper on the "Trial of Aviation Cases," are the extent to which documentary evidence of the operation, inspection, and maintenance of the aircraft may be introduced; the extent to which witnesses are available who have inspected, performed maintenance, and flown the airplane, and the extent to which it may be proved that all of these operations are strictly under the almost continuous supervision of the Civil Aeronautics Board and the Civil Aeronautics Authority.

### Flight Report Helpful

There is, he said, the pilot's flight report, an accurate history of any aircraft up to at least the accident itself and if there is no fire, even of the particular trip on which the accident occurs. Weather is carefully checked. An accurate record of passengers is kept. An air frame and engine inspection report is available. There is a barograph, which graphically outlines the flight record of the plane.

Introduction of these documents has been made less difficult by statutes adopted in most states for admission of business documents in evidence, as an exception to the hearsay rule. There may be no eye witnesses, but there is immediate and complete government control of the crashed plane, permitting establishment without controversy of the physical facts.

The doctrine of res ipsa loquitur should not apply to these cases, Mr. Betts believes unless the crew survives, plaintiffs have knowledge of every fact that defendant knows and access to every document and record. Under such circumstances that rule of convenience which was fastened on land based commercial carriers should not be carried over into trial of aviation cases.

### Orr Makes Suggestion

George H. Orr, claim superintendent of U. S. Aviation Underwriters, suggested that in aviation cases the home office attorney has to handle the trial attorney because the latter needs orientation to the peculiarities of aviation cases.

"We are making new law," he said, "using old principles. The work must be done carefully. It is terribly important."

The trial attorney must know what he is aiming at; he must talk to witnesses, more so than in other types of cases. He can get good attention from the jury because everyone is interested in aviation today. They may not be a few years from now.

It is strange that a person killed in an airplane accident should be supposed to be much more valuable than if run over by a Ford, Mr. Orr commented. An airline is sued not for \$25,000 but for \$100,000. Yet the average plane death claim since there was an airline is \$10,000. Some claim amounts, even where the Warsaw limit of \$8,300 applies, are fantastic—as high as \$500,000.

### Two Speakers Fail to Appear

Hayes Dever, secretary of Pennsylvania Central Airlines, who was scheduled to talk on "Aviation Insurance from the Buyer's Standpoint," was taken ill suddenly and went to a Washington hospital just before catching a plane to the meeting. E. W. Sawyer, New York, counsel of the Insurance Brokers Association of New York, who was down to discuss the paper, was at the Syracuse,

N. Y. meeting of the all-industry committee.

Charles S. Rhyne, Washington, D. C., reviewed recent aviation accident decisions.

The ordinary lawyer called on by an insurer to defend an aviation accident case should be careful that a "precedent" case on which he may rely really holds, John Randall of Cedar Rapids said in his discussion. In aviation such cases may be overturned any time. Some cases may involve guest statutes and relationships as in automobile litigation.

The attorney in the smaller community may have some trouble getting testimony of experts or expert weather, operations and maintenance information where the claim is a casualty one, he said.

Stanley C. Morris of Charleston, W. Va., presided at the forum. He said that while aviation insurance still is a small branch of a multi-billion dollar industry, values and exposures are high. He added that on his personal life insurance he has been able to get the companies to remove the aviation exclusion in double indemnity clauses, and no extra cost.

### Froggatt Is W. Va. Actuary

Joseph Froggatt & Co. has been appointed official actuary of West Virginia, succeeding the late James H. Washburn, who acted as the department actuary for many years. All actuarial matters which the state law requires to be submitted to the department's official actuary should be sent to the Froggatt firm, 74 Trinity place, New York City.

### Ind. Fire Prevention Talks

Cooperating with the Indiana Assn. of Insurance Agents and State Fire Marshal Bowser, 13 speakers from the speakers club of the Indiana Fire Prevention Assn. covered the state with fire prevention talks during Fire Prevention Week. They visited 36 towns, made 33 talks to adult audiences through service clubs and addressed 4,120 pupils in public schools.

C. W. Barger, Copling-Grumme-Mumford Co., was chairman of the speakers group. Others who made talks were J. A. Bawden, Springfield; B. H. Peterson, Automobile; W. A. Trudelle, Scottish Union; G. R. Pritchett, American; E. S. McMahon, Corroon & Reynolds; R. H. Osborne, P. V. Smith and E. P. Ressler, National Fire; H. A. Stevens, Security, Conn.; E. P. Carson, Continental; R. L. Dubois, North British, and G. N. Schumacher, Hartford.

### Fire Accounting Course

The Insurance Society of New York started its fire insurance accounting course Oct. 21. It is given under auspices of the Insurance Accountants Assn., and Bernard H. Voelker, C.P.A., will again be the lecturer each Monday from 5:15 to 6:30 p. m., at 107 William street.

### Del. Agents Scan Law Changes

The Delaware Assn. of Insurance Agents held a special meeting Tuesday to receive the report of the special legislative committee that has been studying the Delaware insurance laws. The association desires to make recommendations to the governor's commission for changes in the statutes to comply with public law 15.

W. S. Crawford, insurance editor New York "Journal of Commerce," is back at his desk after convalescing from an abdominal operation which he underwent early in August. For the last few weeks he has been at the home of his daughter, Mrs. George M. Sprowls of Akron.

## Eye Molten Salt Baths for Heat Treatment of Metals

NEW YORK—The National Board has issued the second of its research reports, dealing with potential hazards in molten salt baths for heat treatment of metals. The hazards involved are fire by contact of molten salts with combustibles, explosion through chemical and physical reactions, such as explosions caused by water coming in contact with the molten salts, and physical danger to the operator by "gassing" or burns by molten salts.

### Safety Precautions Suggested

The booklet recommends various safety precautions and operational procedures, as well as fire protection. The molten salts process should be segregated in a room of two hours fire resistance and the immediate area should not be provided with automatic sprinklers. The roof should be leakproof and no wooden flooring, platforms or benches should be permitted in the vicinity of baths. Sand should be provided to dam the distilled melt and carbon dioxide and approved dry powder type extinguishers may be used to extinguish materials set on fire. However, vaporizing liquids (carbon tetrachloride), water, foam, or other aqueous extinguishing agents should not be used. Prominent signs should warn against the use of water and signs should be placed outside the factory warning firemen of the presence of nitrate baths.

### Chicago Fire Book

The 75th anniversary of the Chicago fire is also the 75th anniversary of Marsh & McLennan and to commemorate both events the firm is sending out copies of "The Great Chicago Fire," an account of the catastrophe constructed through the letters of citizens who lived through it. The book is edited by Paul M. Angle, director of the Chicago Historical Society.

### Detroit Insurance Day

DETROIT—An insurance day program with sessions morning and afternoon and a luncheon gathering were held here Tuesday.

The morning session featured a discussion of automobile insurance conducted by James M. Bugbee, automobile manager of Maryland Casualty, and then there was a question and answer period on casualty matters conducted by Kenneth W. Coleman.

### Forbes Detroit Speaker

DETROIT—Commissioner Forbes of Michigan spoke in the extension course sponsored by the University of Michigan for a class of 185 Detroit agents. He explained departmental functions and the commissioners' proposals for model legislation to preserve a measure of state control of the business under the commerce decision.

### Bank-Auto Film At Long Beach

The Long Beach (Cal.) Insurance Assn., at its meeting Oct. 21 viewed the film "Bank and Agent Auto Plan in Action."

An average of 70 insurance men and women are taking the insurance course of the association. The golf tournament and stag party will be held Nov. 8.

Raymond A. Behrmann, F.B.I. special agent, addressed the St. Louis Blue Goose on "Work of the F.B.I. and Juvenile Delinquency." He also showed the motion picture, "F.B.I. on Guard."

Henry Cook, program director for station KGLO of Mason City, spoke before the Iowa Blue Goose at its luncheon in Des Moines on his experiences with the army in Germany, particularly his meeting with Russian troops.



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## EDITORIAL COMMENT

### Anything for a Chart

Sometimes we wonder if there isn't a lot of wool gathering in that which goes by the name of research in the field of business and economics. Our misgivings were accentuated the other day when in the same mail we received inquiries from advertising agencies on either coast.

One wanted to know the number of insurance companies by counties throughout the United States. The other propounded an interrogatory of 33 principal questions and there were a liberal sprinkling of subsidiary questions. For instance: In graph form, what is anticipated to be the future yearly sales volume by lines of casualty insurance? In graph form, how has the casualty insurance yearly sales trend compared to general business trends? These same questions are asked for a particular state.

What is the usual effect of a change of management on an established agency's sales volume? What particular types of experience are required to successfully operate a casualty insurance agency? In chart form, what is considered the most ideal organization and work structure for an average agency in a large city?

That is just a brief sample. One thing that seems to possess most of these research workers is a consuming desire for a chart or a graph. Anything for a chart. The technique seems to be to conceive some sort of a chart and then proceed to try to blast out some figures to enter along the parallel lines. The public seems to have a great appetite for these zigzag productions and doesn't question too closely the authenticity of the statistics involved.

### Sizing Up the Boss

What kind of a boss have you? Tell us what you think of him. One would get a variety of answers and they would be very interesting to the men higher up. We heard the definition of a successful executive the other day, and there was much merit in it. Here it is: "A successful executive is one who tries to make the demands of the day for those about him a little less difficult than expected."

The most obnoxious executive, in our opinion, is the bossy one. He seemingly tries to exhibit his authority at every opportunity and he manifests it in an irritating way. This is sure to be the case where a person has reached an executive position through flattery, backslapping, cajolery or as a collegian

We recall several times when we were asked for various statistics in the insurance field that the inquirers became impatient when we tried to make clear distinctions that they should take into consideration. They wanted some nice round figures in short order which they could dish up without the encumbrance of any qualifications or explanations.

These research people more often than not, seem to be seeking statistics that are not commonly used in the trade and that at best can only be conjured up with the aid of a lot of guesswork and approximations. All of this sort of thing may be harmless enough, being merely a lot of busy work and something of a nuisance to the people being interrogated, but on the other hand, it may create a lot of superficial and incorrect conclusions of one kind and another. People will seize on a chart as giving the complete story of the situation without taking the trouble to investigate to determine whether it is bottomed on reliable figures.

In the whole field of social sciences and economics we have detected a great avidity for figures and a willingness to accept almost any figure that comes along as proving something or other.

The way some people in these fields handle figures is something that causes mathematicians and actuaries to shudder. The first thing an actuary does when he sees a figure is to give it a very fishy look and to proceed to take it apart and find out what is the matter with it. Perhaps they may discover that the figures are no more than the desperate answers of an old and tired editor to a super scientific questionnaire.

would say "by bootlicking." He wants to be seen and known as the boss. He is the true type of a pinhead executive. He gives orders and he gives them in a caustic way. He seems to delight in making people dislike him. He takes pleasure in seeing employes crouch and quiver.

It is always interesting to visit offices and notice the difference in complexion. One can always tell what sort of a boss is at the head of the organization by the very atmosphere.

A chief executive said the other day, that one place he delighted to go other than his home, was his office, because everything was so harmonious, there was little intrigue or politics, no one was afraid and everyone was coopera-

tive. The manager of a fire company once told us that as he passed up the aisle toward his office, he could feel the fear of the daily report examiners, because they knew that if they made the slightest mistake, the president would write a scorching letter. The manager said he often wondered how much business was canceled that should have stayed on the books because of the fear that if there was a fire, the president would seek out the culprit and scorch him.

There are offices where there is much office politics, so-called. There are intrigues, there are employes trying to get ahead at the expense of others and they are playing up to the boss in what they think is the most

desirable way.

The successful executive, in our opinion, may be often seen but is heard very little. When he gives orders, he does so politely. He wants his employes to work with him, not for him. He seeks to develop what might be called an association of employes. If he is called upon to rebuke an employe, he does so in a polite, but effective way. He seeks to make a rebuke a lesson. He takes time to tell an employe when he finds a mistake and how it could have been avoided. Such an employer never becomes loud. He goes about his work in a quiet, but efficient way. He gets results. His employes are for him because he is fair, honest, patient and tolerant.

## PERSONAL SIDE OF THE BUSINESS

**Charles H. Buresh, Jr.**, of Fred S. James & Co., Chicago, and Mrs. Buresh announce the birth of a son, who has been named James Currie Buresh. The paternal grandfather is a retired vice-president of Fred S. James & Co., while the maternal grandfather is Elmer J. Schafer of that agency.

**Francis E. Harper**, agency superintendent for Phoenix of Hartford, observed his 45th anniversary with the group.

He entered the insurance business in 1895 with a local agency at Chicago. In 1901 he joined the western department of Connecticut Fire and continued with that company until 1915 when he was transferred to Phoenix at Hartford. He was made agency superintendent of the western underwriting department in 1921.

**Chester E. Farrell**, Louisiana state agent of Security of New Haven, has just returned from New York where he attended the wedding of his daughter, Marie, to Gerald T. O'Leary of New York. Among the guests were President Peter J. Berry of Security, Mrs. Berry and daughter; Assistant Secretary Ernest V. Goodman and his wife, and Assistant Secretary Lou S. Strong.

**T. R. Fletcher**, U. S. manager of Scottish Union, was in Chicago the first three days of this week en route back to Hartford from a trip that took him as far west as Kansas City.

**Paul W. Oliver** of the Bartholomay & Clarkson agency, Chicago, has been elected a director of Randolph Laboratories, Inc., manufacturers of fire extinguishers.

**Herbert J. Schoeppe**, Commercial Union state agent at Wichita, and Mrs. Schoeppe are the parents of twin boys.

**Max L. Myrick** of the Topeka office of the Kansas Inspection Bureau was married in Topeka to Miss Doris Taylor of Harveyville, Kans.

**Livingston L. Short**, who resigned as president of General Exchange and Motors in 1942, to become assistant vice-chairman of the War Production Board, has severed his connection with General Motors and retired from active business on doctor's orders. Upon formation of General Exchange in 1925, Mr. Short was appointed vice-president and gen-

eral manager, becoming president two years later. He was active in the formation of the National Automobile Theft Bureau and a member of the finance committee of the National Automobile Underwriters Assn. During the war he served as a member of the North African economic board, allied force headquarters, as chief of the import division. Subsequently, he was appointed deputy director of the American economic commission in the middle east.

**Elwood Meyer** has resumed his duties as manager of the district office of the Mountain States Inspection Bureau at Pueblo, Colo., after several weeks of misfortune. Immediately following his transfer from Denver to Pueblo he was hospitalized for emergency surgery. This was followed by an accident at his home, resulting in the fire department first aid rushing him back to the hospital, where nine stitches were taken in the lower right arm. Two weeks later when he left his car in front of a store it was badly damaged by a truck driven by a drunk. He was last confined to his home with an attack of the "flu" but has fully recovered.

**Hertel M. Saugman**, local agent of Racine, Wis., also active in the life field, received the 33rd degree at the annual meeting in Pittsburgh, of the Supreme Council of Scottish Rite Masons.

**Junius M. Clark**, who retired five years ago as executive special agent for New York Underwriters in the middle-western territory, is in Chicago this week visiting his two children and insurance friends. He resides the year round at Fort Lauderdale, Fla., and is on his way back after attending to his 88-year-old mother at Buffalo, who suffered a fractured hip.

Mr. Clark is a close neighbor at Fort Lauderdale of Clem E. Wheeler, who retired several months ago as associate western manager of Hartford Fire. Another member of the Illinois gang at Fort Lauderdale is Fred C. Bertiaux, who was formerly assistant western manager of Hanover, and is now operating a local agency in the Florida city. John Norse, retired Chicago manager of Northwestern National, is another permanent resident of Fort Lauderdale.

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### BRANCH OFFICES IN KEY CITIES

**ATLANTA 3, GA.**—560 Trust Co. of Ga. Bldg., Tel. Walnut 5867. Ernest E. Hess, Southeastern Manager.

**BOSTON 10, MASS.**—255 Park Square Bldg., Tel. Hubbard 8696. William A. Scanlon, Vice-President.

**CHICAGO 4, ILL.**—175 W. Jackson Blvd., Tel. Wabash 2704. O. E. Schwartz, Associate Manager. L. N. Yellowlees, Advertising Manager.  
**CINCINNATI 2, OHIO**—420 E. Fourth St.

Tel. Parkway 2140. Abner Thorp, Jr., Vice-President. George C. Roeding, Associate Manager; George E. Wohlgenuth, News Editor.

**DALLAS 1, TEXAS**—802 Wilson Bldg., Tel. Central 5833. Fred B. Humphrey, Southwestern Manager.

**DES MOINES 12, IOWA**—3333 Grand Ave., Tel. 7-4677. R. J. Chapman, Resident Manager.  
**DETROIT 26, MICH.**—1015 Transportation Bldg., Tel. Randolph 2994. A. J. Edwards,

Resident Manager.

**MINNEAPOLIS 2, MINN.**—558 Northwestern Bank Bldg., Tel. Main 6417. R. W. Landstrom, Resident Manager.

**KANSAS CITY 6, MO.**—505 Columbia Bank Bldg., Tel. Victor 9157. William J. Gessing, Resident Manager.  
**NEW YORK 7, N. Y.**—99 John St., Room 1103, Tel. Beekman 3-3958. Editorial Dept. — R. B. Mitchell, Eastern Editor; Kenneth O. Force,

Associate Editor. Business Dept.—Ralph E. Richman, Vice-Pres.; J. T. Curtin and W. J. Smyth, Resident Managers.

**PHILADELPHIA 9, PA.**—123 S. Broad Street, Room 1127. Tel. Pennypacker 3706. E. H. Fredrikson, Resident Manager.

**SAN FRANCISCO 4, CAL.**—507 S. 9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Pacific Coast Manager. Guy C. Macdonald, Pacific Coast Editor.



A farewell dinner was tendered to **Donald B. Sherwood** by the head office staff of Commercial Union. Some 25 friends gathered to wish Mr. Sherwood well on the occasion of his leaving the company, of which he was general adjuster, to join the National Board to conduct work for the committee on loss adjustments. Mr. Sherwood was presented with an appropriate remembrance.

**Roy A. Sellery**, general manager Western Adjustment, reports that his daughter, Florence, has returned from 16 months Red Cross duty in the Philippine Islands where she was in hospital recreation work, and helped care for some 17,000 wounded at Ft. McKinley hospital, near Manila.

Secretary **Harry B. Standen** of the local and brokerage and service departments of North British & Mercantile is singing the praises of the Post Office Department these days since he received a muddy, barely decipherable air mail envelope, to which was clipped a slip signed by the New York postmaster, stating that the letter had been recovered from a mail-carrying plane which had been in an accident. The letter was mailed to Mr. Standen by the Pacific Coast department of Underwriters Salvage Co., and was postmarked San Francisco, Oct. 7.

## DEATHS

**Charles T. Crowdin**, 57, senior adjuster with the T. E. Brennan Co., Milwaukee, died of a brain injury suffered in a fall at his home 10 days previously. Mr. Crowdin went to Milwaukee to join the Brennan staff in 1921, after serving as chief auditor in the federal construction division in the war department during the first war.

**Charles J. Schwarten**, 63, vice-president and treasurer of the George H. Russell Co., pioneer Milwaukee agency, died of a brain hemorrhage. Mr. Schwarten joined the late George H. Russell in the agency about 45 years ago as an office assistant, and was one of the original incorporators of the business in 1913 with Mr. Russell and Fred J. Lewis, who retired about 10 years ago. After the death of Mr. Russell, Mr. Schwarten became vice-president and secretary. When Mr. Lewis retired Bradlee Van Brunt became president, and Mr. Schwarten was made vice-president and treasurer. For several years he had been in poor health and recently had been inactive in the operation of the agency, although retaining his interest.

**Charles Lidston**, 69, veteran independent adjuster, died at Seattle. He was born in Scotland and had lived in Seattle 40 years.

**Roy Mater**, veteran local agent at St. John, Kansas, died there.

**Bluford C. Alexander**, 43, owner of the W. R. Ellis local agency, Dallas, and associated with the I. Reinhardt & Son agency, died there. He had been associated with several Dallas local agencies.

**George Guerraz**, for many years assistant Pacific Coast manager of Liverpool & London & Globe in San Francisco and who later had charge of a service office in Seattle which he established, died at his home in Aptos, Cal. Mr. Guerraz, one of the veterans of the fire business on the coast, had retired according to age limitations in 1937.

**George M. Kain**, 74, local agent at Helena, Mont., died there from a heart ailment.

**Robert D. Morse**, secretary and accounting officer of Hartford Fire, died in his sleep in the Chicago Athletic Assn. Oct. 18. He was about 58 years of age.

Mr. Morse had been in Chicago a week in company with L. W. Miles of Froggatt & Co. He became ill in the western department office of Hartford Fire during the day Friday, but after a

rest he recovered his equilibrium and then visited a doctor. He and Mr. Miles were room mates at the C.A.C. The next morning Mr. Miles discovered that Mr. Morse had died during the night.

Mr. Morse was born at Marlboro, Mass., and graduated at Harvard in 1910. He started with the investment and banking firm of Harris, Forbes & Co. at Boston.

During the first war he served in naval aviation. He joined the auditing department of Hartford Fire in 1919, was transferred to the investment department in 1925 and was made actuary in 1929. In 1935, Mr. Morse was elected an assistant secretary, advancing to secretary in 1940.

During 1937 he served as vice-president of the Insurance Accountants Assn. of New York and later was a member of the executive committee.

During the second war he was commander of civilian defense for Windsor, Conn., and also served as chief air raid warden.

Funeral services were held at the First Congregational Church Tuesday and burial was at Marlboro.

Mr. Morse regularly attended the conventions of the National Assn. of Insurance Commissioners and had many friends among that group.

**Ethelbert Ide Low**, 66, chairman of Home Life of New York, who died Saturday, was a director of Continental, Niagara Fire and Fidelity & Casualty.

**Fred L. Ticknor**, retired Illinois special agent for Springfield F. & M., died at the home of a son, James H. Ticknor, at Glencoe, Ill., of a stroke at the age of 78. He had been residing there since his retirement in 1941. Burial was at Peoria.

Mr. Ticknor was born at Springfield, Ill. He got his first taste of insurance as assistant to his father, L. H. Ticknor, who was head of the old stamping bureau at Springfield. Upon his father's death Mr. Ticknor became manager of that office, which had been moved to Peoria. He subsequently went with the Illinois Inspection Bureau in 1886. He joined Springfield as special agent at Peoria to assist State Agent Homer Caldwell. Later the territory was divided and Mr. Ticknor had independent jurisdiction of a portion of the northern Illinois field.

**Lee Rogers Allen**, vice-president of County Fire of Philadelphia and Philadelphia manager of the Great American group's Philadelphia service office, died suddenly at his home in Bryn Mawr. Educated at Dickinson College, he joined the Great American organization in 1929 as special agent in Philadelphia. He later became assistant manager there and in 1945 manager.

**George H. Hamlin**, retired chief underwriter of the New York City local department of the North British group, died.

## Some Domestic Workers in N. Y. Come Under "Comp"

Domestic workers in New York state in cities of 40,000 population or more, who are working a 48-hour week for the same employer, shall be deemed to be in a hazardous employment, and compensation insurance must be supplied, a new ruling of the compensation rating board, has declared. The ruling becomes effective Jan. 1, 1947.

The coverage is restricted and does not apply to farm workers. Failure to insure shall not constitute a misdemeanor within the meaning of the law. Presumably, however, an uninsured employer would be liable to action under common law.

The coverage may be attached as an endorsement to the standard workmen's compensation and employer's liability policy.

**The Sioux Falls Assn. of Insurance Women** with 35 attending, heard an address by Robert Atkins on behalf of the Sioux Falls Safety Council.

## Thefts of Scarce Goods Boosting Fidelity Losses

NEW YORK—Fidelity losses are estimated to be running 10% to 15% higher than last year. Insurers say that a substantial part of current losses involve property rather than money or securities and point to the fact that people will buy scarce items and ask no questions.

A notable loss increase is being experienced through employees who engage in manual labor as distinct from clerks and those who handle money. One case involved an employee working in a yarn mill who at night let down boxes of yarn on a wire from a window to a confederate waiting in the street below. Before being apprehended they made off with \$10,000 worth of yarn.

In another case a Negro porter was found to have taken 500 dozen pairs of nylons and sold them. The ease with which scarce goods can be disposed of makes this type of theft especially profitable, and any carelessness in the taking of inventories makes firms vulnerable to rather large losses.

### Low Rates Causing Concern

Fidelity insurers are especially concerned over the loss trend, which some predict will carry losses well above what is considered normal experience, because rates are now low. The last rate cut, in 1945, made a reduction of 30%. Before that rates had been going down gradually since 1938. After several years of good experience, the pendulum now appears to be swinging the other way. Among the factors which fidelity men hold chiefly responsible for increasing losses are high profits, the high cost of living, the using up of savings, easy spending, and moral laxness.

During recent years it has been so easy to make profits that many businesses have become lax in checking for losses of securities or property. Under war-time excess profits tax, losses made little difference in net income. Now, with that tax cut in half, and with many firms being squeezed between high wages and hampered production, protection against theft becomes more important. Because of more thorough checking, many losses are being discovered which took place in more easy-going days.

### WON'T CUT SPENDING

It has been estimated that living costs are 90% higher than in 1941 and wages only 40% higher. There is undoubtedly a great deal of economic pressure on individuals whose wages have not been advanced in the same proportion as the wages of others. Some men are going to steal rather than see the family standard of living sharply reduced.

Spending seems to be a difficult habit to control. Some people who have used up savings in living beyond income are going to look for other sources of money rather than cut expenditures. The property of an employee is a source ready at hand.

It is difficult to determine whether moral laxness, which is believed by some to follow wars, is a real cause of losses or only seems so. The F.B.I. estimates that crime of all sorts is up 16%. It is possible that conditions are favorable for lawbreakers and account for the bulk of the increase.

Part of the loss may be related to a shortage of accountants. Many firms have not been able to properly check their accounts. Thefts are now being discovered which have taken place over the period of the last few years. As accountants become more plentiful, a larger percentage of such losses should come to light.

The usual types of losses such as those involving old and trusted employees, continue to be the most costly. One man who had been working 42

years for his employer and earning about \$300 a month was spending about \$700 a month. The balance he obtained by stealing and manipulating accounts. The employer considered that no check was necessary upon such an old-time employee. Sometimes men become involved in theft in trying to cover up bookkeeping mistakes. Rather than admit to an honest mistake of, say, \$200 men have been known to juggle accounts and take money in an attempt to cover up the error. Once involved, there is seldom any turning back.

With horse racing going full blast again since the termination of the war, bookmakers are doing big business. A man who is involved over his head with bookmakers is a very poor bond risk. One young man with an excellent family background and no other discovered transgressions stole \$39,000 in six months while employed in a bank. All the money went to bookmakers.

Insurers are active in checking and encouraging the checking of accounts and inventories. Losses cannot be avoided, but their costliness can be held to a minimum. If a man is going to steal, nothing can stop him, but he can be caught soon rather than late with reasonable vigilance.

## Late Casualty News

### Ure Joins N. E. Casualty as Claim Superintendent

SPRINGFIELD, MASS.—New England Casualty of the Springfield group has appointed Kenneth E. Ure superintendent of the home office claim department. He has been with American Surety since 1935 in various branches of its claim service.

A native of Fulton, N. Y., Mr. Ure received his B.A. degree from Colgate in 1932 and his LL.B. from Syracuse University in 1935.

### Ask Rate Ruling Revision

A brief has been filed with the Texas assistant attorney general in behalf of United States Guarantee, supporting a request for reconsideration of the attorney general's opinion that the board of insurance commissioners can approve only one rate for any given class under the new casualty and surety rating law.

### Constance to Glens Falls

Edwin C. Constance, formerly assistant to Bond Manager P. O. Olstad of the Continental Casualty Chicago branch, has taken over his new position as assistant in the bond department to John H. Bryden, manager of the Chicago branch office of the Glens Falls surety department.

### Oregon Fund Reports

Premiums received by the state industrial accident commission of Oregon for the fiscal year ending June 30 amounted to \$8,312,478 and benefit payments totaled \$5,056,826. General administrative expense was \$680,477, safety administrative expense \$175,521. Assets totaled \$34,610,234 and surplus was \$6,987,130.

### Heatter Insurance Broadcaster

Mutual Benefit Health & Accident has launched a new radio program over the Mutual Network. It features Gabriel Heatter in dramatized versions of persons overcoming obstacles to achieve success. It is heard Sunday evenings and is called "A Brighter Tomorrow." Heatter delivers the commercials, too.

For accident and health sales ideas, use the **Accident and Health Bulletins**. Write the A. & H. Bulletins, 426 E. 4th St., Cincinnati 2, O.

## B. R. Walinder Tells Why Farm Insurers Are Denying Selves Income Today

INDIANAPOLIS — Some of the problems confronting companies writing farm insurance were discussed by Bert R. Walinder, Chicago, secretary American Fore at the farm forum Wednesday morning during the convention of the Indiana Assn. of Insurance Agents. Mr. Walinder explained the position of the companies on increasing insurance to value on farm risks, and the reason why they generally refuse to grant an increase on buildings.

Companies are stressing present-day city values and encouraging writing of increased amounts, he remarked, but when downward adjustments are needed, they can be more readily handled than farm revisions, as most farm policies are written for five years. Farm-writing companies have resisted granting substantial increases when these increases are based on current prices alone. Some increases have been granted, but not in proportion to the amount of increase that has been asked for and obtained on the average piece of city property.

### Personal Property O.K.

The position of the companies may seem inconsistent when it is considered that on the other hand companies have repeatedly asked for increased amounts on personal property. The answer is, he said, that amounts of insurance carried on personal property have always been lower to value than have the amounts carried on buildings. Far more substantial increases would be justified on the various personal property items than on improvements.

Mr. Walinder stressed that where it is necessary to increase coverage on buildings as the result of present-day costs, the agent should explain to the insured that when prices recede, he will call again to reduce the insurance.

The cost to companies of keeping the amounts of insurance down on buildings is well known. Moral hazard, now is perhaps lower than it has ever been. Companies could gather in premiums and retain a goodly portion. Instead of that, they resist accepting them and deliberately thereby deny themselves the windstorm and extended coverage premiums that would follow. Simple arithmetic will prove that when repair bills have gone up anywhere from 50% to 100%, and the amount of insurance is increased only a fraction, companies are losing money on the windstorm end. Every company having a volume of farm business has experienced a high tornado loss ratio every year since building costs advanced.

### Preventing Severe Headache

Agents are being denied the commission that increased amounts of insurance would bring, but the companies are denying themselves the premiums, and by so doing, both agents and companies will be saved a severe headache later on, he predicted.

There are a number of agents who remember the days of making the rounds, calling on farmers, spending their time whittling down the coverage and paying back return commission on return premiums. They remember that the majority of farmers were agreeable to reducing coverage on personal property but often resisted taking a reduction on the buildings.

It is generally conceded farm products prices will come down, Mr. Walinder said, but no one knows when. When it will no longer be necessary to feed the Europeans and there is no demand for livestock and grain overseas, there is reason to believe that again there will be surpluses bringing reduced prices.

### Coverages Greatly Improved

During these times, the farm business has not stood still, he stated. The coverages now available are vastly improved, schedules have been revised and there is the 1943 New York policy with its

broader provisions. There is a broader coverage on household goods, grain extension endorsement, and a "limit of liability" instead of a "limit of value" on livestock. With this improved coverage agents should feel encouraged actively to solicit more farm business, not with the thought of increasing commission per risk now on the books, but by corralling new risks. That would be healthy progress, he said.

Agents as a whole could give more thought and consideration to writing hail on growing crops, Mr. Walinder declared. When calling on clients in connection with fire, windstorm, automobile, and casualty lines, note that growing crops also represent wealth. Indiana holds a splendid position so far as farm insurance is concerned, but is far in the rear in the writing of hail.

Seven other company men were on the platform with Mr. Walinder, and they constituted a board of experts to answer questions from the audience. The agents took an active part in the program and a number of questions were raised on rural problems.

## Aetna N. C. Appointments

Jack E. Smith, formerly special agent for Aetna in North Carolina, has been appointed agency superintendent of that district with headquarters at Charlotte. He has been with Aetna for 18 years, in the home office and as North Carolina special agent. He is a past most loyal gander of the Carolina Blue Goose.

Joseph W. Moye has been named successor to Mr. Smith. He is a native of Raleigh, where he attended University of North Carolina. Mr. Moye was with North Carolina Inspection & Rating Bureau as special agent for six years before entering the AAF in 1944, being discharged as a captain last April. He was in local agency work until his new appointment.

## Brokers Hire Field Man

The National Assn. of Insurance Brokers has appointed William A. Norris, Jr., as field secretary. He was discharged from the army, as a first lieutenant, in February, and returned to Aetna Casualty. He is a graduate of Harvard business school and he entered insurance in 1927 and has served as casualty underwriter, special agent, and most recently, as superintendent of the surety department at Brooklyn.

## Ferguson N. Y. Speaker

NEW YORK—Senator Ferguson of Michigan, ranking member of the Senate judiciary committee, will be the principal speaker at the annual luncheon of the Insurance Federation of New York at the Commodore Hotel here Dec. 11. The insurance commissioners will be in session that week and the federation has invited them to be its guests at the luncheon.

## Chicago Travelers Agents Elect

At the annual dinner meeting of the Agents Association of the Travelers, which embraces all agents in the Chicago office, William K. Keir was elected president; Lloyd Miller, vice-president; John Gillespie, treasurer; Arthur Raff, secretary.

Directors are George Fertig, Howard Kolb, I. H. Curtis, George Capps, John Gallagher, William Martin and James Honlihan.

## Hugh Stephenson in New Quarters

WASHINGTON—The war assets administration insurance division, headed by Hugh Stephenson, has moved from the Railroad Retirement building to wartime Temporary Building "R," occupying the block bounded by the Mall park, Maryland avenue, Third and Fourth Streets, S.W.

## Hoosier Activities Chronicled

Company headquarters opened Monday evening before the convention got under way. Among those present were R. O. Richards, state agent; W. F. Riggs and R. C. Meyers, special agents of Crum & Forster.

Eldon Link, Indiana state agent, was in charge for Motor Vehicle Casualty.

Fidelity & Deposit was represented by W. H. Hansmann, vice-president; E. F. Schmidt, manager, and W. A. Bowersox, assistant manager, all of Chicago, and Ben B. Turner, Indianapolis manager.

Kenneth E. Kinnear, agency supervisor; L. K. Pickett, fire underwriter; W. S. Ramey, secretary; C. C. Crim, claims; F. A. Lindeman, automobile underwriter, and C. H. Broshar, special agent, were on hand for Pioneer Equitable.

Linn S. Kidd, reelected president of the Indiana Assn. is the son of the late John C. Kidd, a former Indiana commissioner.

In years past Harry McClain had been able to call each prize winner by his first name, but the growth of membership in recent years forced Mr. McClain to ask the names of some winners.

C. D. Kessler, Peru, was chairman of the nominating committee.

Among father and sons on hand were Albert Reutepoher, Huntington, and son Gerald; Edward Williams, Evansville, and Kenneth; and J. Garland Taylor, La Porte, and son William H.

Former Indiana Commissioner Frank Viehmann attended the meeting.

Vice-president T. F. Shortall, and W. C. Cook, and Frank Prange of Emmo, were present at that company's headquarters, as was State Agent Millard Jones.

Chris Zoercher, Tell City, has been appointed chairman of a committee there to undertake the building in Perry county of a county hospital.

E. B. Stout, Jr., of the agency department, New York, and C. E. Shumaker, were also present.

## Claims Boats Overinsured

WASHINGTON — Demanding investigation of certain phases of maritime commission and war shipping administration activities, Rep. Wigglesworth (Mass.), charges in a letter to the House committee on merchant marine that exorbitant profits have been realized in respect to government war-time contracts for purchase, charter, insurance, etc., of vessels requisitioned. Failure of these government agencies to renegotiate contracts may cost the Treasury hundreds of millions, Wigglesworth said.

A spokesman for him said the agencies took over marine war-risk insurance of old ships at excessive values and when such vessels were lost, paid the owners up to 10 or 12 times the amount of fair value.

## Fete Barbour at Dinner

Robert P. Barbour, who last week resigned as U. S. manager of Northern Assurance group, was given a testimonial dinner by the New York staff.

E. A. Clark, assistant manager, was toastmaster and A. J. Martin, former U. S. manager; C. E. Allen, Pacific Coast manager; John T. Woodroffe, Chicago manager, and Ivan Griffith, agent at Girard, O., were guests.

Assistant Secretary H. V. Carlier presented Mr. Barbour an oriental rug. E. D. Patton, new U. S. manager, presented Mr. Barbour a testimonial.

## Examiners to Meet Oct. 21

The first fall meeting of the Association of Fire Insurance Examiners of Chicago will be Oct. 17 at Harding's Grill, 109 West Madison. E. N. Davis, rubber research chemist for Underwriters Laboratories, will speak on "Plastics of the Present Day."

Managers night will be Nov. 21. O. E. Gray, America Fore, is president.

## Fire Prevention Activities

Newspaper advertisements, fire prevention displays and demonstrations and a questionnaire for school children on the home hazards were used this year by the Chicago Board in its campaign for fire prevention week.

The Board is advertising in Chicago newspapers over a six-week period promoting fire prevention; it is sponsoring a demonstration and display at the

Indianapolis manager, had charge for Hartford Accident. Charles Dubach, production manager at Chicago, also was on hand.

National Surety was represented by E. A. Luther, vice-president; C. S. Cooper of the New York agency department; M. J. Traynor, Jr., Indiana manager; and Paul C. Smith, Frank Sargent, and J. G. Herd, special agents.

H. F. Sweeney, resident vice-president at Indianapolis, and W. J. Valensi, assistant manager, were in attendance for Gulf.

Philling, Hill & Beal, Indianapolis general agency, maintained headquarters. In addition to the partners of the agency William Fisher and E. H. Shiel, special agents, were on hand.

Kenneth Myers, John Mead, and Richard Lawson, special agents, staffed headquarters for the Employers group.

Great American Indemnity was represented by H. F. Ulrich, Indianapolis manager, and F. H. Farmer of the western department at Chicago.

North American had C. B. Crist, manager at Indianapolis; and Myron Davenport and A. H. Behrends and Alex R. Graham, special agents, on hand at their headquarters.

John E. Messick, Jr., assistant Indianapolis manager for U. S. F. & G., helped his father, manager John E. Sr., at that company's headquarters.

George Pritchard, state agent for American, opened the convention by leading the singing of "America."

A ladies party was held during the business meeting Tuesday. Visiting ladies were treated to a style show and tea at an Indianapolis department store.

Roy L. Davis, Chicago, manager of the Assn. of Casualty & Surety Executives, took in the Indiana convention.

More than 1,000 reservations had been made in advance of the meeting.

Commonwealth Edison Building showing fire apparatus tests, fire alarms, fire movies, historical relics, and fire and explosion demonstrations. It also is distributing over 100,000 home fire quizzes to children in primary schools in Cook County. Each child completing the questionnaire is awarded a junior home fire warden badge.

## Opens Des Moines Adjusting Firm

Otto B. Kahre has opened an independent adjusting office at 406 Shops building, Des Moines. The office will handle casualty lines, automobile and inland marine.

Mr. Kahre had been with Allied Mutual Casualty of Des Moines for 11 years as staff adjuster and later as resident manager of the claim department. Previously he was with Home Indemnity at Chicago.

## Governing Committee to Meet

The governing committee of the Western Underwriters Assn. will hold its first meeting since the Asheville semi-annual meeting in Chicago, Oct. 30. There has been no change in the personnel of the committee and C. H. Smith, Hartford Fire, remains as chairman until Oct. 30 when the committee will elect officers.

## Ga. Steering Group Meets

ATLANTA—The Georgia Assn. of Insurance Agents executive committee met here Oct. 17 for the first time since the annual meeting at Savannah, for the purpose of perfecting organizational details. R. D. Smith, Dawson, is chairman and first vice-president. I. H. Chappell, Macon, is president of the association.

## Aetna Casualty S. F. Rally

More than 200 attended the Aetna Casualty sales conference in San Francisco. Speakers were F. W. Potter, A. D. Bryan and R. C. Larson, field supervisors, and R. E. Brown, Jr., casualty advertising manager, from the home office. Joel Geddes, agency supervisor; J. W. Phillips, superintendent bond department; Jack West, L. B. Daniels and F. C. Treadwell speaking on the aviation coverages, and John R. Holmes, manager of the western department.



# Hoosiers Assemble 1,000 Strong

## Sawyer Chides Agents for Lack of Leadership

### Says They Failed to Assert Initiative on Regulation Problems

INDIANAPOLIS—As owners of perhaps the largest interest in the insurance business agents have shown very little initiative in shaping regulation of the business, both in the past and in the activities of the all-industry committee, E. W. Sawyer, counsel of the National Assn. of Insurance Brokers and the National Assn. of Casualty & Surety Agents, told the Indiana Assn. of Insurance Agents at the annual meeting here.

"I believe your failure to take the initiative in looking after the welfare of your business makes you equally responsible with the rest of us for the economic philosophy that has led our business into the difficulties that confront it," he said. "I believe you should revise your program, assume your part of the responsibility of preserving state regulation of the business in which you are so heavily interested as owners, and protect your business."

### No Use Keeping Quiet

"Do not make the mistake of believing that if you keep quiet and keep your noses out of the problems that confront us, everything will work out, and that nothing can happen to your business. Nothing could be farther from the truth."

Mr. Sawyer summarized as follows the points about which producers everywhere are concerned.

1. The only reason for regulation of insurance is protection of public interest. Donald C. Bowersock, president of Boston and Old Colony, recently said that a committee of the National Board, composed of highly-trained insurance company lawyers, after study of the requirements of public law 15, made a report that did not recommend that we go beyond requiring filing of rates before use, with power in the insurance commissioner to order discontinuance, after hearing, of rates and rating practices found to violate established.

(CONTINUED ON PAGE 25)

## Advertising Forum Makes Hit With Indiana Agents

A forum on "How to Use the Tools of Advertising" was one of the big hits of the Indiana agents' convention. It was conducted by E. R. Hurd, Jr., advertising manager of American Associated and gave the agents thorough fundamentals in the use of direct mail, radio, newspaper and billboard "ads."

Mr. Hurd first explained the importance of correct advertising, and midway in his talk representatives of radio, billboard and newspaper advertising departments told how their media could be best used.

Mr. Hurd commented that almost everyone has heard of Pike's Peak, but few people realize there are mountain peaks in Colorado that are higher than Pike's Peak. This applies equally to one's business.

"The agent may know more about insurance than any other agent in his community but unless people hear about qualifications (from you or from someone else) you aren't going to have many customers, and customers mean income for you. So I am going to try to show you how to tell people about yourself and the things you sell, through the intelligent use of advertising," he said.

"There mere fact that you may be advertising is not enough to insure a successful campaign. Advertising will help

you only if it is directed to the right people, written in an interesting style and attractively presented.

"There are only three basic themes of advertising—the agent, the products he sells, and the insurance industry. The importance is in that order. Insurance is purchased primarily because of a person's faith in the agent and his judgment, and the agent must sell himself first.

### Follow Advertising Pattern

"When talking about yourself in your advertising I'd suggest that you follow a pattern which will be useful each time you plan any advertising. First decide on your objective and then fit your story to it," Mr. Hurd said. "For example, the objective may be recognition of the agent's name, recognition of his business; confidence in the agent's ability and widespread knowledge among people that the agent merits their confidence.

"His story then would be to display his name, address and phone number. Tie up name and address with 'insurance.' Tie name plus 'insurance' to evidence of experience (establishment date or slogan). Publicize services actually performed.

### Selling Self Never-Ending Job

"The job of selling yourself is a never-ending one, for there is a constant change in customers. People die or move away; others come to live in town; children grow up. The interesting thing about selling yourself through advertising is that people who learn of you and become satisfied customers will tell others. They, in turn, will become customers and repeat the whole process, so that very often a small amount of money and effort on your part will, in time, pay for itself many times over in new business."

Mr. Hurd gave an interesting means for overcoming the objection: "Yes . . . But it won't happen to me." The agent can obtain a copy of the newspaper for the day before a big fire, windstorm or accident. Nobody mentioned in that paper had any idea that there would be serious accident the next day. Newspaper clippings and testimonials of this kind offer convincing proof that no one is immune from loss, he pointed out.

Rate reductions in themselves are not good advertising matter. Rates mean nothing to the average buyer. What he is interested in is what he has to pay for his insurance each year, Mr. Hurd emphasized. "If you will compare some of your billings you will find that the

(CONTINUED ON PAGE 43)

## Retain Kidd in Presidency for Crucial Days Ahead

### Indiana Assn. of Insurance Agents Reveals Strength at Annual Parley

#### NEW OFFICERS ELECTED

President—Linn S. Kidd, Brazil.  
Chairman—Herman C. Wolff, Indianapolis.

1st vice-president—Howard C. Phrend, Monticello.

2nd vice-president—Arnold G. Allen, Muncie.

Secretary—George W. Mahoney, Indianapolis.

National state director—Herman C. Wolff, Indianapolis.

Executive secretary—Harry E. McClain, Shelbyville.

#### By JOHN C. BURRIDGE

INDIANAPOLIS — Linn S. Kidd, president of the Indiana Assn. of Insurance Agents, was reelected to that office at the annual meeting here this week. All other officers were also reelected with the exception of first vice-president Howard J. Gescheidler, Hammond, who declined nomination because of ill health.

Mr. Kidd received a vote of confidence at a time when the association is preparing to meet a hard legislative year. It was felt that he has the association under good control and that he and the



Linn S. Kidd



H. E. McClain

other officers who have made the preparations for 1947 should carry their work through.

The meeting this year was an outstanding success. Attendance was well

## INDIANA INSURANCE COMPANY

Chartered in Indiana in 1851

FIRE

PLATE GLASS

WINDSTORM

BURGLARY

AUTOMOBILE

INLAND MARINE

Broad Coverage Policies

Liberal Commissions

Cooling Grumme Mumford Co. Inc.

STATE AGENTS

Special Agents: Emerson Newhouse, John P. Keiser, Charles W. Barger, James J. Lamb  
Consolidated Building, Indianapolis, Indiana

over 1,000, and those present heard excellent talks covering the field from rural problems to meeting requirements under PL 15. The assembly room of the Hotel Claypool was jammed for every session of the two day meeting. The association thus upheld its reputation for the big meetings and large attendance, which in the past has rivaled that of the national conventions.

President Kidd was in charge at the opening session Tuesday morning, and began the proceedings with his report.

A forum on how to make the best use of advertising was one of the big hits of the meeting. E. R. Hurd, Jr., advertis-

ing manager of American-Associated companies, St. Louis, was in charge and tips on advertising in newspapers, radio and billboard were presented by Joseph F. Breeze, advertising director Indianapolis News; Joseph Higgins, radio station WIBC, Indianapolis, and H. H. Linsmith of General Outdoor Advertising Corp.

Mr. Hurd reviewed and explained company participation in supplying material and told the agents how to use it to best advantage. The media representatives then explained how the agent can effectively place his money in advertising.

E. W. Sawyer, general counsel for the National Assn. of Casualty & Surety Agents, spoke on the agents' position and responsibility before public law 15 expires. He urged them to take a more active part in legislative matters, emphasizing that the insurance business is in reality the agents' business, since they are the ones that put it on the books.

Thus far, agents have shown a regrettable lack of initiative or interest in what the all-industry committee did or produced, he said, but there is still time for them to make themselves heard. The model bills provide for changes and suggestions, and the agents can make them and should make them, he declared.

Allen L. Smith, manager of the Louisiana State Assn., spoke on "You and Your Association." He emphasized that it is exceptional that a person with high standing in business is not actively affiliated with organizations of that business. Insurance men are no less subject to scrutiny regarding their profession than a doctor, lawyer or teacher, he said.

### ALL SHOULD SHARE

Mr. Smith praised the Indiana association for its strong position and large membership. He said that his own association falls into a similar category.

However, the most important feature of an association is the opportunity of every agent sharing equally in benefits. Thus it is a tragic mistake, he said, that programs are arranged in such a manner that the average agent has no opportunity to speak his mind from the floor. Meetings of the state associations are for the members, he emphasized, and they should not be treated as an audience at a play. The furor arising from public law 15 warning agents to get their house in order is wrongly directed, Mr. Smith declared. It was the rating organizations, owned, supported and directed by the companies themselves that have been found in need of the greatest changes. The associations are forbidden by their own charters and by-laws to go beyond any action that would put them in a bad light.

Discussing association politics, Mr. Smith said that at Denver he "observed for the first time something of which has been a matter of latent knowledge, but which I first observed in action out there, namely, that there is a big difference in a political organization and an organization's politics. Being a firm believer in the business man's taking an active interest in the politics of his community, state and nation, I feel that the proper place for that is at the public ballot box and not within a trade organization such as ours."

### Elks Furnish Entertainment

The Tuesday afternoon session was closed for a business meeting. Allen L. Smith, Baton Rouge, manager of the Louisiana association, led off the Tuesday afternoon business meeting.

Mr. Wolff presided as committee reports were given. They gave further evidence of a fast growing organization.

C. D. Kessler, Peru, chairman of the local board committee reported that 15 new local boards were established this year, and there are now 50 in the state.

A total of 1,108 members was reported by Dan Gibson, Plymouth, membership committee chairman.

R. Michael Fox, Indianapolis, chairman of the aviation committee, reported that the aviation loss ratio in Indiana last year was 164%, and the windstorm losses were over 350%. The agent must be more sure of his risks, he said, and know that planes he insures are adequately protected against normal hazards.

Mr. Fox warned of the dangers of the London Lloyds deal with the airplane owners and pilots association, asking that members report immediately to Commissioner Pearson anyone soliciting Lloyds business in the state.

## Kidd Tells of Fruitful Year

Linn S. Kidd of Brazil, in his presidential address at the annual meeting of the Indiana Assn. of Insurance Agents was able to cite an impressive record of accomplishment during the year. The 12 regional meetings held in April were especially valuable and this program should be continued, he said.

The GI training course of five weeks at Indiana University followed by a two day refresher course was a great success. He gave a special pat on the back to C. D. Kessler, chairman of the local board committee, for increasing the number of such units from 35 to 40.

The committee headed by Arnold Allen occupies a key position because it is charged with the responsibility of analyzing the agents' position under public law 15. Whether the model bill of the all-industry committee should be supported in whole by the Indiana agents is a problem yet to be determined, he said. However, he gave assurance that the committee will come up with an answer before the next meeting of the Indiana legislature.

He expressed the hope that the licensing statute can be strengthened at the next legislative session. He urged all members to be ready to respond to the call of the legislative committee early next year.

The banquet took place Tuesday evening. There were no speeches. Dancing continued to 1 a. m. the Indiana Elks chapter, national champions, provided entertainment.

A forum on farm insurance was the entire program Wednesday morning. Ray L. Strayer, Warsaw, chairman of the rural agents committee, explained that the committee decided to hold the forum after writing to agents about their principal farm insurance problems.

Ralph W. Smith, Carlisle, and Don L. Parvis, Lynn, vice chairmen of the committee, presided with Mr. Strayer. Speakers were Bert R. Walinder, Chicago, secretary America Fore; A. R. Johnson, Chicago, assistant manager farm department of Hartford Fire; Paul A. Wilder, secretary Ohio Farmers; Harold C. Megrew, vice-president Ohio Casualty; John R. Munson, Chicago, executive special agent, farm department of Home C. A. Gustafson, vice-president American States; B. W. Pfeifer, special agent National; and Arl Garrett, special agent Aenta Fire. An open question period followed.

Frank C. Colridge, secretary of the National association, was luncheon speaker, with Mr. Kidd presiding.

Commissioner Pearson of Indiana spoke briefly on "Agency Qualifications" Wednesday afternoon. He reviewed progress being made by the department and the association qualification committee.

### Women in Business

Virginia C. Parsons, casualty editor of Taylor Publishing Co., spoke on "Recruiting and Training Women in Insurance."

Mrs. Parsons suggested that women be given a better break in the insurance business. She blamed any lack of success they might have on recruiting and training methods employed by the companies and local agents.

In hiring a woman, she advocated those who are about 27 or 28 years old, single or married for five years or more. Usually they make the best long range employee.

Too many business men assign girls to jobs without explaining why the job is being done, she said. If she is to be a good worker, she must feel she has a stake in the business.

Every girl could be a forceful sales person, and if she is not, it is the agent's fault, Mrs. Parsons said. A poor job was done in selection and training if the girl cannot answer most questions at the counter or on the phone, and if the

(CONTINUED ON PAGE 43)

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## E. W. Sawyer Chides Agents for Lack of Leadership in Indianapolis Address

(CONTINUED FROM PAGE 23)

lished standards.

In view of this advice, why should there be excessively rigid control of rates going far beyond the requirements of public law 15 and far beyond protection of the public? Mr. Sawyer asked.

### What Becomes of Freedom?

2. If an insurance commissioner is given power to approve or disapprove rates, can an independent insurer, with its limited experience, prevail upon him to approve for its rates differing materially from rates filed by a rating organization and supported by a vastly

greater volume of experience data? If not, what has become of freedom and competition? Is this a perpetuation of the old economic philosophy?

3. The all-industry committee stated that it believed preservation of competitive opportunity in the insurance business was essential and that this objective should be secured "to as great an extent as was possible without defeating the paramount objective." In view of the result accomplished in the all-industry bills as they now stand, producers are asking: "What are the paramount objectives that had to be protected at the cost of restrictions upon freedom and competition in the business?"

4. If strict regulation of rates can force uniform or substantially uniform rates for participating companies, and those rates contain, as they must, expense factors to meet the cost of agency companies, direct-writing participating companies are guaranteed the ability to pay substantial dividends out of the difference in acquisition cost. While direct-writing participating companies are active at present only in the casualty field, it is only a question of time when they will become increasingly active in fire insurance. Producers who have watched the steady and rapid trend of business away from non-participating companies in states with drastic rate-regulatory laws believe that all companies will eventually be forced to become participating companies to meet this competition and, if that does not stop the trend, eventually to become direct-writing participating companies.

5. If an insurance commissioner is given power to approve or disapprove rates, including the expense factors, does he not have the power to fix the amount of compensation of agents and brokers? Commissioner Harrington of Massachusetts has pointed out that under the New York law which, like the all-industry bills, is silent on this point, a former superintendent was able to use his power to control acquisition cost and the part of it that agents would receive.

6. In the face of a clear direction from Congress that freedom and competition in insurance must be preserved, producers are seriously questioning whether the strict regulation of the all-industry bills as they now stand even closely approaches the congressional plan of a collaborative regulation of the business in the public interest.

7. In some quarters producers are asking: "Why, under a plan for regulation of insurance in public interest, is it thought necessary to regulate the public? What has the public done to require the proposed iron-clad mothering?"

These are a few of the many phases of rate-regulation that have led a great many producers to take a firm stand that they want no regulation of rates not required to protect the public, and that preservation of state regulation requires freedom of action and freedom for competition to the greatest degree consistent with public protection, said Mr. Sawyer.

### Fears State Regimentation

It is very easy, he said, to substitute for the protection producers now have under the federal antitrust laws of their constitutional right to maintain their business and to operate it with freedom from regimentation, both public and private, a state system of regulation that could destroy their freedom and result eventually in a method of merchandising insurance in which there would be no place for an independent producer.

It will take a long time to revise our thinking and to develop an economic philosophy in our business in which welfare of the public becomes automatically our first consideration, Mr. Sawyer conceded, but said the effort will be worth while. Just as other businesses have proved that the greatest success lies in anticipating and meeting public needs, so the insurance business can prove that a militant interest in the public and a never ending effort to discover and meet the public's need for better insurance protection, can surpass even its miraculous development of the past.

Mr. Sawyer pointed out that of all segments of the business agents are the most influential politically. Many state legislators are members of state agents' associations. Many others are your friends and neighbors. They can explain to their legislature the issues involved and what is needed for the protection of the public and for the permanent good of the insurance business. He urged the agents to put aside

selfish motives, to forget grievances with other groups in the business, to stop recriminations over responsibility for present difficulties, to shed their apathy and come out of their shells, and to play the part that their interest in the insurance business entitles and obligates them to play.

## Colridge Cites Advances Won by Organization

INDIANAPOLIS—Frank C. Colridge, secretary of the National Assn. of Insurance Agents, in addressing the king size convention of the Indiana agents organization here this week, gave a vivid conception of the advances that have been won for the local agent through organization activity by comparing conditions that existed 50 years ago when the N.A.I.A. came into existence with the conditions that apply today.

Also in rapid-fire style Mr. Colridge sketched the myriad activities and projects of the organization currently.

Mr. Colridge mentioned that the membership at Aug. 31 was 22,022 member agencies, representing more than 80,000 individual producers. The staff numbers 27 and there is an active state association in each state, and in the District of Columbia. There are more than 700 local boards.

A survey indicates that 90% of the local boards conduct fire prevention programs, 64% participate in accident prevention work, 75% advertise collectively, 78% carry on public relations programs, 51% service public subdivision insurance and 49% conduct educational courses.

More than 300 local boards are participating in the bank and agent auto plan with more than 700 banks cooperating. More than half of the state units are manned with full time staffs. There is a licensing law in every state and 24 states require first time applicants to complete a written examination.

He cited particularly the Indiana, Michigan and South Carolina associations for their work in finding employment for G.I.'s and training them for an insurance career.

Through the aviation, casualty, fidelity-surety, fire and allied lines, inland marine and farm and small town agents' committees, the N.A.I.A. maintains close relationship with nationwide company organizations. The N.A.I.A. through its educational program has already reached 7,936 students in 103 local study groups. Indiana University was the first such institution in the country to adopt the N.A.I.A. educational program.

The Washington office is a service bureau and a listening post for the members. Not long ago it was successful in prevailing upon the farm security administration to permit borrowers to select their own insurance agents.

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## A. & H. Regulatory Bill Without Rate Control Offered

### Conference Submits Comprehensive Legislation to All-Industry Group

A proposed uniform sickness and accident insurance regulatory law has been drafted by the Health & Accident Underwriters Conference for presentation to the all-industry committee this week. The draft is based on the present uniform standard provisions law, with additions and modifications. Care was taken that no conflict arise between the standard provisions law and the proposed draft, thus avoiding a situation which would make it impossible for a company to write a policy under both acts.

The draft is accompanied by a statement by the conference on regulatory regulation, and a memorandum by C. C. Fraizer, general counsel, on the extent of existing regulation in the states.

#### Rate Regulation Omitted

There is no provision for rate approval, although filing of premiums is included. The conference reiterates its stand against rate regulation.

Sections include the standard provisions; approval of policies; control and regulation of advertising; control of form and contents of policies; anti-discrimination; rebates, and other miscellaneous provisions; and special statutes for group, blanket, franchise and industrial policies.

Mr. Fraizer in his comments, notes that a substantial amount of general rate regulation now exists. This includes such regulation as: (1) Requirements governing formation, incorporation and authorization of carriers. Power to grant or withhold authority to write A. & H. business by existing carriers. (2) Agents qualification and licensing laws, together with the power to cancel or withhold licenses for misconduct and other powers of discipline. (3) Laws governing filing and approval of policy forms and related acts, as a standard provisions law or varying modifications; and the "official guide," which has been adopted by the National Assn. of Insurance Commissioners and has the effect of law. (4) Group laws. (5) Anti-discrimination laws. (6) Anti-rebating laws. (7) Laws prohibiting misrepresentation or false advertising of policy contracts. (8) Laws requiring filing of annual statements and other reports, to test solvency. (9) Laws governing examinations periodically or at departmental discretion, during the course of which solvency and general practices may be tested. (10) The power to withhold company licenses or certificates for reasonable cause such as questionable solvency, misconduct and improper practices.

#### Strong Discretionary Power

These laws are not in effect in every state, Mr. Fraizer notes, but there is strong discretionary power vested in each department.

An outline of the proposed law follows:

Section 1 defines sickness and accident insurance.

(CONTINUED ON PAGE 34)

## FIRE AND CASUALTY TELESCOPED

### Tarbell Unveils Proposed Unified Statement Blank

Discussing the proposed new combined fire and casualty annual statement blank at the recent fall conference of the Insurance Accountants Assn. at Endicott, N. Y., T. F. Tarbell, casualty actuary of Travelers, made a plea for a broad and tolerant attitude of all concerned with the proposed blank.

Mr. Tarbell conceded that there might be some who, on studying the blank, would find they did not agree with certain changes from the existing form of blank or that certain features did not take care of peculiarities in the operations or accounting procedure of certain companies or that certain features

definitely similar.

While it is the committee's belief that it has produced a blank that will serve the greatest good of the greatest number—including the companies, the insurance department, the general public—Mr. Tarbell said he did not want to leave the impression that the committee believes the blank is 100% perfect and should be recommended for adoption without change. The committee is satisfied that basically it is a very good blank and it has been put to the acid test by a number of companies. It is possible, he said, that a wider test by companies not represented on the committee may develop some "bugs" or result in desirable refinements and changes. He strongly urged each company member to test the proposed blank by filling in his company's 1945 statement figures, thus placing himself in a position to satisfy himself as to the merits of the blank. Also, since the blank must receive the approval of his executive, the accountant will be in a position to discuss it more intelligently.

Mr. Tarbell pointed out that the approval of the blank by the insurance companies will be only the initial step. The ultimate decision will rest with the National Assn. of Insurance Commissioners.



T. F. TARBELL

could be improved. However, he pointed out that the committee had a difficult assignment. There were naturally conflicting ideas and viewpoints, among the individual members of the committee and, further, it was necessary to reconcile differences inherent in the operations of two classes of companies and differences in annual statement requirements for the two classes of companies.

#### Might Be Some Additions

The committee, he said, has attempted to eliminate unnecessary material and requirements but it will be found on examination of the blank that in order to produce uniformity some requirements at present applicable to only one class of company will necessarily be imposed upon the other class. Throughout its deliberations the committee constantly kept in mind the fact that its objective was to produce a blank which would not only be an improvement on the existing blanks but would satisfactorily meet the requirements and views of a very large majority of companies. While the committee members were not always unanimous in their opinions the views of the majority were accepted in good grace, the committee working in complete harmony.

Mr. Tarbell ascribed this accord to a realization that conditions in the insurance business have changed and will continue to change rapidly. The lines of demarcation between fire and casualty business are not so clearly drawn as they were not so many years ago. Both sides of the house seemed to realize instinctively and appreciate that it was dealing primarily with problems which in many cases were identical to both classes of companies and in other cases

## COPIES GIVEN OUT

Mr. Tarbell distributed copies of the proposed blank together with an explanatory booklet. The high-lights of the blank, as he termed them, are the following: The blank is a modern one. It exhibits results on the earned-accrual basis. It follows the normal arrangement of showing assets, liabilities, income and surplus. Detailed information and data of a statistical nature supporting this statement proper are included in the segregated exhibit.

It provides, so far as possible, for the uniformity of accounts of both fire and casualty companies, a desirable feature because of the New York uniform accounting law.

It provides a single form of blank for reporting the financial condition and operating results of both fire and casualty companies. This also is a desirable feature because of legislation now in effect in New York which permits fire and casualty companies to write as reinsurance lines of business heretofore restricted to respective classes of companies and legislation in effect in a considerable number of states permitting either class of company to write certain coverages which heretofore were required to be divided between the respective classes, for example, full coverage automobile insurance.

#### Uniformity Not Always Possible

Mr. Tarbell conceded that there are certain instances where uniformity of accounts as respects the two classes of companies is not obtainable, although more or less uniform results are obtainable and have been provided for. A typical example is uncollected premiums. In the present fire blank this item is classified as "agents' and home office premium balances" and in the casualty blank it is designated as "gross premiums—in course of collection." Basically, the items are of a similar nature but trade practices, so to speak, have established different methods of collection.

The committee, after a thorough discussion, decided that a single statement

(CONTINUED ON PAGE 34)

## Problem of Mexican Motor Cover Outlined

### Texas Actuary Sees Need of Developing Satisfactory Arrangements

Paul Benbrook, casualty actuary of the Texas department, in addressing the annual meeting of the National Assn. of Independent Insurers, sketched in concise form the problems of Mexican automobile insurance coverage.

Even though tourists can obtain a special policy promulgated by the Mexican insurance department, he said this is not satisfactory in all respects due to differences in the general viewpoint of the American motorist and the Mexican motorist, and the American company official and the Mexican company official. American policyholders, he observed, look to their insurers to furnish them with a great deal of protection.

American policies are extremely broad in their scope as compared with the Mexican contracts and the Mexican policies, according to American standards, are highly restrictive. The Mexican restrictions include such things as exclusion of all partial thefts; invalidation of the contract when loss is caused by infractions of the transit rulings or by drunkenness of the operator.

The assured must communicate to the insurer the essential aggravations which the risk may have during the course of the insurance within 24 hours following his knowledge of same. The assured must give written notice to the company at its head office not later than 48 hours after the happening of any accident or loss, if the accident occurs within the federal district. Should the accident occur elsewhere in Mexico, similar advice must be given to the local agent within 48 hours and notice to the head office within not later than seven days.

#### Service Is the Crux

Nevertheless, the Mexican policy provides service that a U. S. company cannot render. Mexican companies have almost a monopoly on service facilities. They know how to adjust claims, how to keep the policyholders out of jail and can satisfy motorists from the standpoint of the peace of mind.

Mr. Benbrook said American companies are not violating any Mexican law by extending their coverage to Mexico, and there is nothing to prevent Mexican adjusters or attorneys from settling losses occurring in Mexico. However, some arrangement will have to be worked out to utilize the facilities that exist on a basis that would be profitable to both American and Mexican companies.

Indemnity of North America, he observed, has an arrangement with a Mexican company whereby Indemnity's contract is extended to afford coverage in Mexico and an underlying tourist policy is issued. This plan seems to meet all requirements of the Mexican department, and the policyholder is afforded all the protection available under his American policy, and yet has the service of Mexican adjusters.

Some companies extend coverage anywhere in Mexico but advise their assured to obtain a regular tourist policy before crossing the border. Such a mo-

(CONTINUED ON PAGE 34)

## Smith Answers Critics of All-Industry Bills

In a talk bristling with pungent remarks, Chase M. Smith, Chicago, vice-president and general counsel Lumbermen's Mutual Casualty, vigorously defended the rating laws proposed by the all-industry committee at the final session of the National Assn. of Mutual Insurance Agents convention in New York last week. Although his remarks included a general discussion of the proposals and the events leading up to them, the high point of his talk was his attack on the four principal objections to the proposed laws, and he assailed both the objections and their proponents in no uncertain terms. While no names were mentioned, there was no doubt that the principal targets were E. C. Stone, U. S. manager Employers Liability, and E. W. Sawyer, counsel National Assn. of Insurance Brokers and National Assn. of Casualty & Surety Agents.



C. M. Smith

The proposed laws, Mr. Smith contended, guarantee a competitive insurance market. They do not require uniform rates nor force any company to join a bureau. They permit a bureau company to deviate if it can justify its ability to do so by facts. Their purpose, he continued, "is to secure fair and scientifically compiled rates, rates that are not overcharges and rates that will not invite company bankruptcy. The rights of minorities, in bureaus or out, are protected."

**Objections to Law**  
Mr. Smith summarized the principal objections to the all-industry proposals under four main heads: that there should be "something called minimum regulation," instead of what the bills provide; that they will result in regulation of agents and brokers commissions; that rates of independent companies should not be regulated at all and that they give mutuals and participating companies a competitive advantage. He answered these objections in turn.

One phase of the "minimum regulation" argument, Mr. Stone said, is that an insurance company or rating bureau should be allowed to file and charge any rate it wishes. "Such a premise," he continued, "ignores the fact that there are anti-trust laws and that no group of insurance companies is going to get the blessing of law to fix prices in concert without provision for protecting the public against abuse. Fifty or 100 or 10 or 20 companies aren't going to be allowed to gang together to give the works to a few chosen competitors. If insurance rate making is a science, as we claim it is, there must be a scientific basis for rates. The laws not only are going to have to say the words that rates are not excessive, inadequate or unfairly discriminatory, but we are going to have to satisfy the public and Congress that they are just that." Otherwise, Mr. Smith predicted, no set of rating laws will last five years. Congress will step in and the insurance business will never get out of federal supervision.

### Attacks Deviation Argument

Mr. Smith was particularly scornful in attacking the argument that an insurance company which has filed and justified its rates should be permitted in individual cases to charge any rate used by any other carrier or a rate equalling the net cost of a participating carrier. "It is a novel theory that you can charge the unsuspecting policyholder a rate you have proven to be not excessive, inadequate or unfairly discriminatory and then at your option charge another policyholder any one of 100 other rates.

People in the insurance business who think their livelihood depends upon the ability to live on price preferences and discriminations should not have the public's confidence."

At this point, Mr. Smith departed from his manuscript to add: "Such a system would take us back to the jungle age—I have heard it called the Stone age."

### No Commission Regulation

Denying that there is any ground for arguing that the proposed bills will result in commission regulation, Mr. Smith said that the brokers representatives urged a specific provision against commission regulation, but the representatives of the National Assn. of Insurance Agents opposed this, on the ground that it was unnecessary and also that mentioning commissions would invite such regulatory proposals in legislatures. He said that the proposed bills provide for rate making on the loss and expense experience, with a margin for profit and contingencies. After paying losses, a company has the right to dispose of the margin as indicated by circumstances. There is no need for artificial control, Mr. Smith maintained. Agents naturally want as much commission as they can get and the whole matter is settled by the economic law that if commissions are too high for the services rendered, the price must be pushed too high to meet competition.

### Cites Independents' Approval

Mr. Smith said the argument that independent companies should not be regulated is pretty well shot by the backing given the bills by the National Assn. of Independent Insurers. An overcharge by an independent company is just as damaging to public as one by a bureau company, and its failure just as much a public matter. Actually, there have been few real independents which made their own rates, most such companies gearing their charges to bureau levels. Complete freedom for independents would force all companies out of bureaus and bring the very chaos these bills seek to avoid.

### Warns on Mutual Dividends

The argument that the proposals give mutuals a competitive advantage brought more scorn from Mr. Smith and a blunt warning that successful attempts to secure dividend regulation in a number of states will drive the mutuals to seek relief through federal legislation. Dividends must be handled on a uniform national basis, he said. He also pointed out that anyone who claims these bills are a mutual plot should remember that the stock companies, not the mutuals, were the ones involved in the anti-trust action which caused it all.

There is no more reason for regulating mutual dividends, Mr. Smith said, than for regulating stockholder dividends of stock companies. There is nothing to prevent a stock company from operating on a participating basis if it chooses to do so. Further, any non-participating company under the model bills can meet mutual competition and provide insurance at the same net cost if it can justify it from its record of losses and expenses. It can even go further, given the justifying facts, as many non-participating life insurance companies do, and charge lower initial rates than its participating competitors.

### Industrial Medicine Parley

American Mutual Liability is conducting a seminar on industrial medicine and surgery at Philadelphia Oct. 22-23 with George S. Harlan, vice-president and general claim manager, as general chairman. President Charles E. Hodges will give an address of welcome at the dinner. The speakers will disseminate the latest information and technique on treatment for the industrially injured and medical problems in rehabilitation.

## Six Insurance Men in Safety Posts

Six insurance men were elected to important positions on the National Safety Council, and Ned H. Dearborn, prominent education and safety leader, was reelected president and will continue as administrative head of the council's staff in addition to his duties as president.

Dr. D. B. Armstrong, vice-president Metropolitan Life, was elected a council vice-president, and also a member of the board of directors and to the executive board.

Walter S. Paine, engineering and inspection department Aetna Casualty, Hartford, was reelected chairman of the executive board. He also was elected to the board of directors.

Also elected members of the board were: W. J. Falvey, vice-president, Massachusetts Bonding; H. E. North, vice-president Metropolitan Life, San Francisco; R. C. Stratto, supervising chemical engineer Travelers, Hartford; and C. E. Pettibone, vice-president and engineering department manager American Mutual Liability, Boston. Mr. Pettibone also was elected to the executive board.

## Seek Program for Insurance Men to Stand On in Field of State Health Cover Issues

WASHINGTON—A. L. Kirkpatrick, manager U. S. Chamber of Commerce insurance department, has been assigned the task of drafting a statement of principles for consideration by various groups in the insurance industry, particularly life, health and accident, in connection with the proposal of the A. & H. section of the chamber's insurance committee that something in the nature of a "platform" be adopted upon which the industry can stand in presenting its case to the public and congressional committees, in the event of future hearings on national health legislation legislative proposals.

The draft will be submitted to members of the insurance committee for suggestions and modification if desired. Its adoption by the committee would be tantamount to a recommendation of the chamber to the insurance industry concerning the position to be taken on the Wagner-Murray-Dingell health insurance bill and similar measures.

## Casualty Agents Hold Forth at Chicago Monday

At the meeting of the officers, chairman of committees, members and directors of the National Assn. of Casualty & Surety Agents at the Ambassador Hotel, Chicago, next Monday, Carl P. Daniel of St. Louis, president of the organization, will preside. Judge E. W. Sawyer of New York, counsel and administrative director, will be present. He is supervising the general activities of the organization other than the securing of new members. He will speak Monday noon at the luncheon of the insurance membership group of the Union League Club in Chicago when he will comment on public law 15.

This organization is becoming far more militant under Judge Sawyer's leadership. It desires all insurance men to become acquainted with public law 15 and to understand the position the organization is taking. It is seeking to have Judge Sawyer appear before insurance groups and insurance buyers and explain what public law 15 is and what may be its results. The organization intends to become an informative body in order to get proper knowledge before the public on casualty and surety service.

H. F. Warner, president of Speed-Warner, Inc., Kansas City, has been appointed chairman of the fidelity-surety committee of National Assn. of Casualty & Surety Agents.

## Soldiers Sue Aircraft Concern

### Action, Involving Plane Crash Off Hawaii, Watched with Interest

NEW YORK—The aviation insurance market is watching with a great deal of interest the suit against Consolidated Vultee Aircraft Corp. for \$1,100,000 filed in the federal court here by three former soldiers. The three, who are among eight survivors of an army plane crash in the Pacific Nov. 3, 1941, charge agents of Consolidated Vultee with failure to determine that the gasoline tanks of the plane were nearly empty when the plane departed from Hickam Field, Hawaii, for Fairfield, Cal. The complaint charges that the pilot was forced to set his plane down in the ocean 516 miles from Hickam Field.

There were an appreciable number of such accidents. A great many occurred before the end of the war and the removal of censorship. However, this apparently is the first instance of a claim or suit.

### Contract With Government

The complaint sets out that Consolidated was under contract with the government to service and operate planes supplied by the army between Hawaii and California. The complaint alleges that individual defendants in the case "were inexperienced and incompetent in the manner in which they conducted themselves" both on the ground and in the air. The complaint also charges that the plane was improperly equipped and that the crew failed to maintain regular contact with shipping on the course of the flight.

### Crew Chiefs, Engineer Included

The individual defendants are Harley E. Mast of Hickam Field, Harry L. Janek of Texas—described as crew chiefs employed by Consolidated who had a responsibility for servicing the plane before its take-off, and John R. Patrick, Tulare, Cal., flight engineer, only surviving member of the crew of the plane.

The three plaintiffs are H. D. Toben, Philadelphia, who is suing for \$400,000; Ernest A. Haydel, New Sarpy, La., and Donald R. Mitchell, Cambridge Springs, Pa., each asking \$350,000.

### Responsible for Negligence

Operation of the planes under governmental orders might conceivably alter the customary pattern of complaint and defense in this type of suit. The facts, of course, would rule. Some of the operations of this nature required the flying of airplanes under abnormal conditions. The presence of the government as the contracting agent may have had some effect on maintenance.

While the statute of limitations is not involved in the present suit, it might be in connection with older accidents. The limit of the statute on the filing of suit for damages for wrongful deaths or injury is governed by the laws of the place where the accident occurs.

Aero carries the Consolidated Vultee account.

### Jackson St. Louis Speaker

ST. LOUIS—Knowledge of insurance is worthless unless the salesman has the ability properly to apply it to the situation that confronts the prospect. William W. Jackson, vice-president of American Hospital & Life, declared in his talk on "Selling Is Both An Art and a Service" before the Accident & Health Underwriters of St. Louis.

R. B. Smith of Oklahoma City, national president, will speak Nov. 28 and Travis T. Wallace, president Great American Reserve, Dallas, will speak at the January meeting. A Christmas party will be held Dec. 27.

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# Independents' Cheers for Rate Bills Grow Faint

Adlai H. Rust, who was elected president of the National Assn. of Independent Insurers at the annual meeting at Chicago last week, is president of State Farm Life and executive vice-president of State Farm Mutual Automobile of Bloomington. He is thus one of the few executives in the country who is equally in command in the spheres of life insurance and general insurance. Just the week before the N.A.I.A. convention meeting, he was at Chicago all week for the annual meeting of the American Life Convention.



Adlai H. Rust

Mr. Rust graduated at Illinois Wesleyan University law school and was in the general practice of law at Bloomington from 1914 to 1928. He served as general counsel of State Farm Mutual Automobile from 1922 until 1933 and in the latter year was elected treasurer. He has been executive vice-president and a director since 1934. He has been president of State Farm Life since 1938.

Resolution on Rate Bills  
The independent group, after several hours debate at Chicago, adopted a memorial resolving as follows:  
—That the association ratify the acts of its representatives on the all-industry committee in voting to accept and approve the casualty and surety and fire and marine rate regulatory bills at the June meeting of the all-industry committee.  
—That the board of governors from time to time direct its representatives on the all-industry committee, to present to said committee, such amendments which in the judgment of said board may be necessary or advisable, including any clarifying amendments and an amendment to delete the requirement of the filing of supporting information under proper safeguards.  
—That the association proclaim that by its past and future participation in the development of the aforesaid rate regulatory acts, it intends no implication that the association denies the merit of any other acts that may embody substantially the same provisions.

## Resolution on Rate Bills

Not in Cheering Section  
Reading between the lines of this resolution and another one, reported last week, dealing with the compilation of statistics, indicates that this organization has taken a position quite a distance from the cheering section for the all-industry-commissioners' bills. It became evident at Chicago that most of the members had several major misgivings concerning this legislation and there was even an element that is firmly convinced that no legislation is needed or is desirable. However, the position of the group was somewhat embarrassing and they had to do some tightrope walking.

Henry Moser, general counsel of Allstate, and one of the representatives of the N.A.I.I. on the all-industry committee, has been one of the foremost exponents of the bills. It was Mr. Moser, at the Portland convention of the National Assn. of Insurance Commissioners, that saved the day for the bills after they had been subjected to a barrage of condemnation on the part of a number of Pacific Coast independent companies, along with Fireman's Fund, Employers Liability, General Ac-

cident and American Automobile. The members were anxious not to discredit Mr. Moser's position which, at the time, probably reflected pretty closely what was the attitude of the independents group.

However, there seems to have been a change in attitude on the part of the most of these insurers and they wanted

to make it clear that they are not beating the tom-toms for the all-industry legislation in its present form. The resolution was undoubtedly much more restrained than it would have been had it not been for what had gone before.

While the group listened attentively to the address of Superintendent Dineen in behalf of the model bills, the group apparently was not persuaded that major amendments were not vital from their standpoint.

The redbook of accident and health policy data—the *Time Saver*. \$4 from

## Hear Public Health Talks

LOS ANGELES—The Accident & Health Managers Club of Los Angeles at its meeting October 21, heard two interesting speakers on the public health problem. Ernest R. Geddes, assembly chairman of the health care investigating interim committee of the California legislature, discussed "Solution of the Health Problem." He has spent considerable time holding hearings on the question since the adjournment of the special session of the legislature.

Virgil M. Griffith, actuary for the committee, also spoke.

## POLICIES FOR PROSPERITY

It stands to reason that the more business an agent brings in, the more he and his company will prosper.

The 9500 producers of F&D receive the utmost cooperation that a fidelity and surety company can give...to enable them to increase their business, and correspondingly, their profits.

In choosing the F&D, you will find that this spirit of helpfulness is carried out by paying losses punctually, supplying up-to-date ideas and services in a specialized field, and actively promoting contacts that will assist you in obtaining additional customers.

*The agent helps build the company; the company helps build the agent.*



FIDELITY AND SURETY BONDS—BURGLARY, FORGERY, GLASS AND OTHER INSURANCE

**FIDELITY AND DEPOSIT COMPANY**  
Baltimore Maryland

WITH WHICH IS AFFILIATED THE AMERICAN BONDING COMPANY OF BALTIMORE

## Direct Mail Cost in Larger Cities Increasing, Returns Lower

The advantages and disadvantages of direct mail to obtain leads for salesmen were reviewed in a panel discussion conducted by C. Truman Redfield, Chicago manager of Mutual Benefit H. & A. and United Benefit Life, in the sales forum of the Chicago Accident & Health Assn. One of the main points brought out was that, in the larger cities at least, the cost of direct mail is steadily increasing and returns are decreasing. In summarizing the situation as to direct mail as applied to accident and health solicitation, Mr. Redfield said: "It is the most expensive way of getting leads. If you don't believe it, try it for yourself."

He was assisted by two experts in the direct mail field, Jerry Harris and Ray Lonnon. Mr. Harris built an agency in Chicago for Mutual Benefit and United Benefit in the last nine years purely on direct mail for leads, with a full time sales force of more than 30 men and a premium income in excess of \$600,000 a year, aside from life insurance production of a little more than \$2 million a year. Mr. Lonnon, formerly with the Illinois department, later accident and health manager of Guaranty Trust Life, Chicago, recently became Chicago manager for Sterling.

The first question asked was how big a send-out must be made in order to

obtain worth-while results. Mr. Harris said that depends on the number of salesmen who are to be supplied with leads. To take care of 10 people, it would be necessary to send out 25,000 to 30,000 pieces a week.

Replying to a question as to the percentage of returns today, Mr. Lonnon put it at .4 to .5 of 1%, while Mr. Harris thought it might be a little lower than that— $\frac{1}{4}$  to  $\frac{1}{2}$  of 1%. Both of them pointed out that this applies only to Chicago mailings, and it was stated that reports had been received of returns as high as 4 to 5% in some smaller places. The question was asked from the floor as to why the results are so much lower than they were a few years ago and the reply was that it was because so many people are sending out mailings. It was stated that in 1940 returns of  $2\frac{1}{2}$  to 4% on materials sent out under 3-cent postage were not unusual.

The question, "What do you figure a lead costs?" failed to elicit any exact figures, but it was stated that it is usually from 20 to 100% more than the user expects it to be.

### FOR PROMPT GLASS REPLACEMENT . . . CALL



**PETERSON  
GLASS COMPANY**  
2833 John R St., Detroit

### NEED GOOD BUDGET

Mr. Redfield asked, "How much does it cost to go into the direct mail business?" and then proceeded to answer it himself. He said a manager, a company or a salesman should map out a campaign over a period of months, if not years. He should set a budget, and it should be ample in a place like Chicago. He should consider the money so spent as a long term investment. A small mailing to a small group once, and only once, seldom proves to be a profitable investment. He pointed out that a lead is no better than the salesman sent out to follow the lead. Agents who follow leads require a special training and this is no small part of the direct mail campaign.

#### Experience with Special Lists

Asked as to his experience with special lists of names, Mr. Lonnon said that with such lists, it is better not to wait for returns, but follow them up at once.

As to the results from using a plain envelope, using precancelled stamp, permit mail or first-class mail, Mr. Harris said there had been very little difference in his experience.

To the question, "From what type of people do you get the best leads?" the reply was, the average office or factory worker, not the executive class.

The question was asked from the floor as to how often followups are made on the same mailing list. Mr. Harris said about four times a year.

#### Best Type of Mailing

Another query was as to what type of mailing is most effective—letter, postcard or brochure. Mr. Harris said the best results had been obtained from a letter, followed up by a brochure and then by a telephone call or personal visit. As to the type of brochure he uses, he said it is about four times the letterhead size, with a big buildup.

A question was asked about putting cards in letter boxes in apartment houses. Mr. Redfield said that the government objects to that and Mr. Lonnon commented that it is a waste of time and money anyway. It was stated in that connection that in small towns doorknob hangers have been quite effective, but that such material does not work in the larger cities.

The question was again brought up as to the cost of mailing, and it was stated that it now runs from \$29 to \$31 per 1,000 as compared with \$15 to \$15 a few years ago on one-cent mailing.

In response to another question Mr. Harris said that sales made run more than 50% of the returns, including other prospects obtained indirectly from these leads. Probably about 25% of the actual return leads are sold. He said the average premium on these sales is in excess of \$50.

The point was brought up as to

## Charter Plane Crashes in Wyo.

NEW YORK—The DC-3 plane operated by the NATS Air Transport Service that crashed near Laramie, Wyo., and killed 10 passengers and a crew of three, was insured in U. S. Aviation Underwriters, for crash and passenger liability. This was a charter operation between Oakland and Newark.

The pilot, Clarence R. Abernathy, was treasurer of the transport line.

There is no estimate as to the amount of loss. There is no limit on tort deaths in Wyoming.

U. S. Aviation Underwriters also had the United Airlines plane that crashed only a few miles from the scene of the NATS crash, 10 days previously.

### Kleene Mich. Manager Eagle, Globe, Royal Ind.

Fritz K. Kleene, resident manager for Globe Indemnity at Detroit, has been named Michigan manager of Eagle, Globe and Royal Indemnity companies under the nation-wide program for unification of operations of the Royal-Liverpool casualty companies. Mr. Kleene's jurisdiction for Royal does not apply to Detroit where Detroit Insurance Agency remains general agent for Royal.

The Eagle branch office at Grand Rapids will now serve all three companies in western Michigan except for Globe business in Grand Rapids, where J. S. Crosby & Co. are general agents. This office continues to be managed by John J. Orth and is under the overall supervision of Mr. Kleene at Detroit.

### Consider Higher Rates for B. I. and P. D. in Virginia

RICHMOND—The state corporation commission is considering a petition of companies for increases in automobile liability and property damage rates. The companies are asking a 10.3% boost in B. I. liability rates, and a 33% increase in property damage rates.

At the hearing in which the petition was made, G. A. Peery, commission statistician, testified that the average claim cost for B. I. increased from \$444 in 1941 to \$617 last year. For the same period the average claim cost for property damage has increased from \$38 to \$60. Other witnesses blamed rising costs of hospitalization and sharp increases in auto repair charges for the increases.

Although company aggregate profits were nearly \$700,000 above the 2.5% limit set by the commission, the companies contended that wartime experience was not an accurate indication of future profits. The companies state they will need the increases in current rates to protect them against loss from automobile traffic accidents, which are becoming heavier.

### Ore. Auto Toll Told

Automobile accident fatalities in Oregon in the last five months of 1945 rose 82% over those of the corresponding period of 1944. Secretary of State R. S. Farrell, Jr., points out in a special booklet his office has just issued, "Oregon Traffic Accident Facts—1946 edition." In 1945, according to the booklet, one out of every five cars and one in every eight drivers was in an accident in the state. Accidents with automobiles causing injury to persons numbered 8,050 last year as compared with 5,845 for 1944, or an increase of 37.7%. Total motor vehicle accidents increased 34% from 32,074 to 42,922 in the same period.

whether mailings should be addressed to individuals or to the occupants at a certain address. Mr. Harris said that 99% of his mailings are to individuals. The "occupant" address is better on rural routes than in cities.

## What 40 Years' Progress Means to YOU

- ★ When you sell this Company's Life, Accident, Health and Hospital protection, you get full co-operation from a Company known for 40 years of square dealing . . . with representatives and with policyholders. Write now for our plan to develop your territory.



**FEDERAL LIFE AND CASUALTY COMPANY**  
DETROIT 2, MICHIGAN  
40th ANNIVERSARY YEAR



## Eyes Liability of Doctors in Malpractice Actions

It has been said that the only reasonably sure way to avoid a malpractice suit is to stop practicing. William F. Martin, counsel of the Medical Society of the State of New York, said at the Syracuse meeting of the insurance section of the New York Bar Assn. This illustrates the constant danger to members of both the medical and dental professions of litigation involving their acts. He suggested the wisdom of malpractice insurance, which is available to all honorable practitioners.

Commenting on the law relating to a physician and his patients, Mr. Martin quoted Judge Shientag in *Greenstein vs. Fornell*: "In the interest of science, and in order to promote the public health and welfare, the liability of a physician for the consequences of his professional acts shall be strictly limited, to the end that he shall not be made the prey of disappointed or ungrateful patients on the one hand, nor malicious or unscrupulous patients on the other. . . . The plaintiff is required to establish . . . by clear and convincing evidence that the relationship of physician and patient existed, that the physician violated some duty which he owed to the patient, that such violation of duty was the competent producing cause of the result complained of, and that the patient himself was free from any contributory negligence which was responsible for the resulting condition."

### Law in New York

A malpractice action in New York state must be brought within two years from the accrual of cause of action, not from date of discovery, Mr. Martin said. Where a physician prescribed allegedly dangerous medicine more than two years before an action was started, the court held the action stale even though the patient took the drug and sustained ill effects within two years of the incidence of the case.

There has been considerable written about actions against physicians based upon implied warranty or the breach of an implied contract to perform a workmanlike job, he said. These actions may be brought against physicians within six years after accrual of cause of action. However, they are largely academic because the damages recoverable are not tort damages. They cannot include awards for pain or suffering. In one case the courts would not permit compensation for loss of earnings.

Of course, if a physician while operating sets up conditions which he could remedy by discovery of his mistake, and he continues to treat throughout a period when discovery could remedy the situation, the statutes properly would not become effective during his course of treatment.

### THIRD PARTY CASE

Under certain circumstances, for example where there is an accident, if a third person is liable for the original injury, he is liable for all the consequences that flow therefrom. He is liable for the end result of the injury, even though it is claimed that treatment by a physician left the patient with a poorer result than might have been expected. If the attorney for the patient settles with the original tortfeasor and gives a general release, the court of appeals has held that such a settlement bars an action for malpractice brought against the physician, even though the original wrongdoer and the physician may not in a strict sense be joint tortfeasors.

When a patient comes to a physician seeking medical care as one entitled to such care under the workmen's compensation law, and later seeks to sue the doctor, special statutory rules may stand in his way, Mr. Martin said. He may find that the right to sue has passed by subrogation to the insurance carrier

which has paid him workmen's compensation.

The rule of liability on the part of a physician for the acts of assistants or subordinates is frequently misunderstood, he said. Statements are heard that he is captain of a ship and that he may be blamed for all that happens to his private patients. The statement is unsound so far as legal liability is con-

cerned. It may be true that at a hospital the surgeon is, from the standpoint of discipline, within the institution in charge of the case. He may issue orders to subordinates and they must obey. But legal liability in such cases is founded upon personal acts or omissions. If a physician properly delegates a duty to hospital nurses or internes, and they diligently carry out those duties, he may not be held liable.

A physician was sued because a foreign body was left within a patient's abdomen at an operation which he performed. Proof upon trial showed he had properly delegated the duty of carrying sponges to the operating room

nurses. They had announced the correct count and in reliance thereon he had concluded the operation. It was held that he was not liable upon any theory of master and servant agency. The court of appeals sustained the appellate division which reversed a \$5,000 verdict against the surgeon.

### Municipal Hospital

Mr. Martin called attention to 50-d and 50-e of the New York general municipal law which provides substantially that in cases where the doctor has gratuitously rendered professional care to a patient at a hospital maintained

(CONTINUED ON PAGE 33)

"Unforeseen events . . . need not change and shape the course of man's affairs"



Pointing out that crime is on the increase, this national advertisement will help Maryland agents and brokers sell burglary and theft insurance.

40 WINKS...@ \$1,000 PER

"WAREHOUSE ROBBED of \$40,000 Worth of Goods"... "Car Hold-Up Nets Thief \$500"... "Another Home Burglarized"...

These are today's headlines. These are the crimes that are costing more than \$1,000,000 each month. Your home or business could be next on the criminal's list. Your possessions... your assets... could be in the loot tonight.

With robberies, thefts and hold-ups increasing daily... with valuables becoming more and more

expensive to replace... thoughtful owners are reviewing their one sure protection against loss. They are making absolutely certain that they have adequate burglary and theft insurance!

Now is the time to see your Maryland agent or broker—to call on his experience in securing ample protection in these hazardous times. Remember: because your Maryland agent knows his business, it's good business for you to know him. Maryland Casualty Company, Baltimore 3, Md.

# THE MARYLAND

MARYLAND ADVERTISEMENTS APPEAR REGULARLY IN TIME-NEWSWEEK-U. S. NEWS

## Kentucky Agents' Annual Meeting Sets High Record for Attendance

(CONTINUED FROM PAGE 3)

driver's license and car registration are revoked unless proof of financial security is shown. On this point, Mr. Howard asserted that holders of approved bodily injury policies or surety bond would not have to file.

The law affects, both operators and absentee owners, except when the car is being driven without permission.

### Sales Opportunities Shown

Mr. Hastings spoke of the opportunities to agents for the sale of automobile insurance and advised them to begin a concerted advertising campaign during October and November and to have the office crew familiar with the provisions of the law because people will come to the office—total strangers asking about the insurance available.

He emphasized the need for showing the distinction between property damage and collision and cautioned the agents to emphasize that bodily injury coverage is a legal liability form.

Mr. Hastings warned them not to scare the public, to understand the drive-other-car provisions, and write the insurance in a financially strong company.

### Need for Quick Service

Showing the need to gear for high speed he mentioned that one Indiana agent using spot announcements about their law effective in 1943 had 193 persons walk into his office and buy policies.

Speaking of his own agency Mr. Hastings quoted the following monthly increases in 1943 over 1942 as a result of his campaign: April 28%, May 105%, June 198%, July 57%, August 46%, September 44% and October 50%. He mentioned this writing led to issuing

many new dwelling and contents forms to these new customers.

President B. J. Lawton, Central City, gave his report during the opening session and said because the Kentucky legislature met in 1946 and that legislation to meet the needs of public law 15 had to be passed this year most of his time was spent on legislative activities. He and his committee secured the aid of Attorney R. T. Caldwell of Ashland.

With the aid of the governor, attorney general and commissioner the model bills were enacted.

He urged participation in the activity of the Tax Equality League of which Sheridan Barnes is vice-president.

Mr. Dummit, droll and philosophical, amused his audience with personal anecdotes and remarked that he is easy to get along with because the Kentucky association is unselfish and never requests anything unconstitutional.

He pleaded for a constitutional convention. He criticized the present constitution as being too lengthy and among other things comprising insurance legislation.

## BARNES NEW PRESIDENT

When Sheridan Barnes took over the meeting as the new president Tuesday morning he ascribed his lack of committee appointments to the way nominating committee chairman J. H. McKenny referred, in error, to his being chosen for vice-president and not president.

Donald Putnam, Ashland, chairman of the resolutions committee, presented 15 memorials that were adopted. One recommended that the department of revenue issue a convenient abstract of the responsibility act. Another commended the National association "and pledge our support to them on their efforts to have the companies recognize that practice of branch offices in affording complete facilities to non-policy writing agents free of charge is unduly discriminatory as to agencies maintaining their own offices and facilities."

Fire prevention should be talked the year round not just during fire prevention week, Clyde Smith, state fire marshal, declared in his address.

Mr. Burks said Kentucky had the largest and most successful campaign this year and mentioned that 25,000 of the large stock fire posters were distributed as well as an equal number of stickers.

Approximately 100,000 home inspection blanks were sent out, 198 fire prevention talks made and spot commercials on the radio, movie trailers and newspaper ads were used.

### Change Technique, Says O'Connell

The time is here for a change on merchandising technique of insurance by agents; companies should change from the institutional type of advertising and the field men should provide the local agents with prospects, Arthur M. O'Connell, Eureka-Security agency, Cincinnati, asserted.

Mr. O'Connell cited actual cases of lucrative prospect development and emphasized the need for selling complete coverage to fit the needs of the individual.

### Advocates Equalized Tax Program

There is no good reason why mutual insurers shouldn't pay as much income tax as the stock companies, George T. Holmes, Louisville executive secretary Kentucky Tax Research Assn., declared in reviewing the tax free cooperative situation.

He warned the agents that every defunct business especially if caused by a

"co-op" in the community is a threat to the income of the local agent.

Mr. Holmes advised agents actively to get behind every movement to curb "co-ops."

### Time Against Speakers

Time required A. G. Wilbor, Chicago special agent marine department, Phoenix of Hartford, to be extremely brief in his discussion of inland marine insurance.

Howard W. Bradshaw, Delphi, Ind., reviewed the N.A.I.A. booklet, "Agency Prestige and How to End It," and H. E. Clendenen of the Putnam agency, Ashland, bowed off the program in deference to the lack of time. He was scheduled to review the new Kentucky compensation laws.

### Chrisman's Report

Reporting as national director, N. A. Chrisman, Pikeville, said the Kentucky rate regulatory laws have brought the state in conformation with P.L. 15 and the other laws, and will not be in conflict with the ruling of the S.E.U.A. case. Kentucky was forced to be a pioneer, because the general assembly met in 1946 and the state association cooperated with the division of insurance in preparing the laws. He said that he believed the work of the all-industry committee, though it was a necessary to compromise in views, will stabilize the industry. He said that as a result of conferences between N.A.I.A. and company executives, there has come about a better understanding and willingness on the part of the executives to cooperate more closely with agents' committees. He went on to describe the work of the various national committees and said that the state associations must make contributions to the National association as liberal as possible because values have increased and the same thing holds true with agencies that holds true with assured, "we must take out this additional coverage to protect our own business."

### Stott Speaks for N.A.I.A.

John C. Stott, Norwich, N. Y., executive committee member of N.A.I.A., said he felt that perhaps the agency field would be far better off if the profit share of the premium dollars was known to the public. He said it was evident that the public is not aware of the small percentage of profit the agent makes. There is no fear, broadly speaking, of the ability of agents to justify reasonable commissions, he said. The way to approach this problem is to calmly compute overhead, appraise the value of the agent's service to the public and take a stand. "Our solidarity, our ability to justify our position and the public support we are bound to receive will make sure we receive reasonable compensation," he concluded.

### Assigned Risk Plan Described

Lewis Y. Johnson, vice-president American Surety, Louisville, described the Kentucky automobile assigned risk plan and commented that, though it is

necessarily elaborate to take care of most contingencies, he thinks that in operation will be found fairly simple. He said the chief duties of an agent under the plan are to get three letters of declination, to see that the application to the plan is fully completed and signed in duplicate before a notary public and to collect promptly the premium, including the additional charge over regular manual rates. It is important to have the premium in the hands of the insurer promptly inasmuch as the company is not required to issue the policy until it has received the premium.

## Sidelights on Kentucky Agents Gathering

**American Auto** under the guidance of L. A. Masterson, Cincinnati agency supervisor, assisted by J. F. Luther, Kentucky field man, was one of the first to play host to conventioners at the meeting of the Kentucky Assn. of Insurance Agents.

**Royal-Liverpool** had Hilary Forrester, Nashville regional manager; H. W. Bodinson, state agent, Nashville, and John Morrison, production engineer, Nashville, on hand.

**Hanover Fire** was represented by H. W. Robertson, Henderson, Ky., state agent for Kentucky and Tennessee.

**American Surety**, headed by Lewis Y. Johnson, resident vice-president, Louisville, had Larry Crain, assistant manager Cincinnati, Charles J. Pollard, manager Louisville, and Juston Lencke, special agent, Louisville.

The general convention committee of Sterling G. Thompson, Louisville, chairman; George E. Burks, Louisville, James J. Hackworth, Shelbyville, Thomas B. Nichols, Bardstown, W. Irwin Rinau, Louisville.

The nominating committee consisted of J. H. McKenny, Owensboro, chairman; Herschel Thomason, Litchfield; Walter Walters, Pikeville.

Resolutions: Donald Putnam, Ashland, chairman; H. E. Eaves, Jr., Greenville; Guy Bush, Lexington.

Entertainment committee was John M. Hennessy, Louisville, chairman; George E. Burks, Alford Gustafson and Fred H. Lieber, Louisville.

The ladies committee, composed of all Louisville women, had as chairman, Mrs. G. L. Edinger, Jr.

The envelope distributed to conventioners included a pamphlet, "Agency Prestige and How to Earn It," prepared by N.A.I.A., and a leaflet on the safety responsibility act.

The dinner dance was originally scheduled for the roof garden but because of the attendance, 381, it was necessary to use the Crystal Ballroom.

The Louisville office of National Surety



*it's all there in a nutshell*

Speed Up the Acceptance of Your Bond Risks by Keeping Anchor's "Field Counsellor" Cabinet at Your Elbow.

A simplified system for the preparation of Bond submissions—organizes the entire business for the Agent.

Application supply folders with indexed, manual-colored tabs carrying complete instructions for submission of risks; in addition, copyrighted factual information of an educational nature, in condensed form.

Anchoring Assures Smooth Saleing Short Form Applications Simplified Rate Manual



ANCHOR CASUALTY CO.

ST. PAUL 1, MINN.

*"There are no circumstances, however unfortunate, that clever people do not extract some advantage from them."*

LA ROCHEFOUCAULD.

If you are all settled to listen to your favorite radio program and the announcer says, "The facilities of this station for the next half hour, have been purchased by Candidate Whozis," don't curse. Spend the half hour listening candidates for public office who are prospects for public official bonds. The time to solicit them is before, not after election. Generally, this is election year.

**New Amsterdam**  
Casualty Company

BALTIMORE

NEW YORK



was host at a cocktail party Monday afternoon.

Representatives of the company included Stewart C. Harlowe, Louisville manager; Paul Bromley, assistant manager; E. A. Luther, resident vice-president, St. Louis; C. S. Cooper, home office executive special agent, and T. B. Roach, special agent, Louisville.

## Studies Liability of Doctors

(CONTINUED FROM PAGE 31)

in whole or in part by a municipality, the municipality shall hold him harmless from loss in a malpractice action which may be brought against him.

The rules regarding expert testimony in a malpractice action are extremely liberal, Mr. Martin said. Sometimes it is impossible to check the accuracy of an expert medical witness's statements by reference to medical textbooks, he said.

### Patient Abandonment Pitfall

Abandonment of the patient by the doctor is one element of malpractice suits that sours lay juries on doctors, if it can be effectively shown, he pointed out. Also, the doctor often faces the problem of whether he should tell a married woman patient that she may have cancer or should he temper truth with mercy by telling her that she needs an operation while fully informing her husband of all the particulars. One surgeon faced this difficulty. Cancer was discovered and an operation performed. It was successful. The patient is alive and well. But 18 months later, with no signs of recurrence, she sued the doctor for malpractice.

### Breaking of Needle

The breaking of a needle is something that happens to the best of surgeons and it does not impose liability upon him, but failure to disclose the breaking in a reasonable time or failure to use good judgment in the attempt to remove it may make out a case.

On one occasion in a Bronx hospital, 40 friends of a happy Jewish couple gathered in a ceremony room to see the circumcision of a youngster named Lipton, he said. The call was made upstairs for the Lipton baby. There was sent down in his place a baby whose name was Lynch. The Lynch baby was an Irish Catholic youngster. After the circumcision the child was taken to the mother's room, and she immediately recognized that it was not her own. Suit was brought for \$250,000. The matter got into the newspaper and came to the attention of an upstate editor who said that he could not see that anybody's circumcision except Adolph Hitler's was worth one quarter of a million dollars. The case was settled for a nominal amount.

### Nassauer on Conservation

George Nassauer of Coleman & Co., representing Provident Life & Accident, addressed the San Antonio Assn. of Accident Underwriters on conservation of business. He said that better than 50% of the business he wrote in 1925 when he entered the business is still in force. One of his policyowners, now living in Pittsburgh, recently paid his 21st annual premium, although Mr. Nassauer says he spent but 15 minutes with the man and would not know him should he meet the insured on the street.

President O. D. Harlan announced that sales congresses will be held in San Antonio Nov. 19, Houston Nov. 20, Dallas Nov. 21 and Oklahoma City Nov. 22.

**Wanted—Safety Engineer—Payroll Auditor** Western Department of progressive stock company is seeking the services of supervising safety engineer and payroll auditor. Excellent opportunity. Address H-99, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## Cameron to Run Florida Company

NEW YORK—Freeland R. Cameron has resigned as actuary of American Surety to become executive vice-president and general manager of Public National of Miami Beach.

Public National started business about a year ago and is chartered to write all lines.

Mr. Cameron has been with American Surety and New York Casualty for the last 15 years in various positions in the home office and the metropolitan and Newark branches. Before that he was with Woodward, Fondiller & Ryan, consulting actuaries, here and with Ocean Accident. He was born at Point Pleasant, N. J., and graduated from Williams College in 1925. He is a fellow of Casualty Actuarial Society.

## Credit Assn. Hears Merits of DDD; 3 More Sessions

Gaps in insurance cover can best be plugged by using a 3-D bond for disappearance, dishonesty and destruction and also including the broad form money and securities cover, forgery and safety deposit box protection, H. J. Jeffery, W. A. Alexander & Co., said in an address before the Chicago Assn. of Credit Men.

He said it is a particularly valuable form in assuring that there will be no unexpected losses which would affect the insured's credit standing.

The address was given at the third of a series of meetings of the group on insurance and credit. Next Monday W. S. Ellis, Royal-Liverpool group, speaks on "Fire Income Contracts," and L. B. Menner, Millers National, on "Inland Marine."

At the Nov. 4 gathering J. J. Flannagan and Frank Griffin, both of Marsh & McLennan, will speak on "Life Insurance Affecting Business." The closing meet Nov. 12 will be a dinner and panel discussion with W. W. Hamilton, manager Chicago Board, presiding.

### Still Cover Military Service

NEW YORK—Most of the companies writing commercial accident and health policies will in the near future again extend the coverage under their policies without cost to policyholders in military and naval service, as has been done throughout the war, according to the Bureau of Personal Accident & Health Underwriters. This extension is deemed still necessary because many policyholders are still in service and consequently affected.

The extension will be made as in the past in the form of an announcement to policyholders that regardless of policy conditions to the contrary the policyholder will be considered as covered for the minimum amounts in the policy (excluding double, triple or quadruple indemnities) while in service on land within the continental limits of the United States and North America (excluding Alaska and the Panama Canal Zone) and provides further that any policyholder entering military or naval service not covered by the terms of the concession may surrender his policy for prorata cancellation.

### Travelers Boosts Salaries

HARTFORD—President Jesse Randall has announced on Tuesday a 10% salary increase for all employees of Travelers making \$7,500 or less a year, and for those employed on an hourly basis. The increase will in no case exceed \$500 a year. Employees now on leave of absence or those not on the active payroll will receive the increase as of the date of reinstatement to the active payroll. Mr. Randall announced that the increase is granted to assist employees during this period of rising costs of living, but there was no specific mention of its being temporary.



## POWER pumps the stream of dollars into your town

Products manufactured in your area bring streams of dollars back from all over the country. One serious work-stoppage, caused by power-equipment failure, could affect the pocketbooks of many individuals and businesses in your community.

You can help your town—and add to your agency volume—by helping local manufacturers safeguard their power equipment through inspections of the type made by Hartford Steam Boiler. You'll find that much of this equipment has been worked hard during the war years—is especially in need of the services you can offer.

No detailed technical underwriting knowledge is required of you to write power-equipment insurance. Agents have found that the Special Agent of the Hartford Steam Boiler in their district provides this. He is willing and eager to help you . . . and can offer many practical suggestions and sales aids in soliciting and servicing this desirable line.

In addition to the power boilers and machinery in plants in your area, there are many heating boilers in apartments, stores, schools, and similar places. Much of this potential business awaits a call by an alert agency. Why not lay plans with your Hartford Steam Boiler Special Agent to go after it?



## The Hartford Steam Boiler Inspection and Insurance Company

HARTFORD, CONNECTICUT

FOR POWER-PLANT INSURANCE, IT PAYS TO CHOOSE THE LEADER

## A. & H. Regulatory Bill Without Rate Control Offered by H. & A. Conference

(CONTINUED FROM PAGE 27)

Section 2 deals with approval and disapproval of policy forms and filing of rates, and includes a provision against misleading advertising. Under the draft, no policies, endorsements, riders or applications may be issued or delivered before a 30 day waiting period after filing with the commissioner. The commissioner may give earlier approval in writing and may disapprove in writing if any form does not comply with the law or contains provisions which are deceptive, ambiguous, or misleading. The commissioner must state his reasons for his opinion, and in all other cases shall give approval.

### May Hold Hearing

After the expiration of 30 days from filing, or at any time after having given written approval, the commissioner may hold a hearing and withdraw approval on any of the grounds named, or if any form is being solicited by means of advertising, communication or dissemination of information which is deceptive or misleading.

Section 3 covers form and content of policy, and provides that no policy may be issued unless the entire money and other considerations therefor are expressed therein, and the time at which the insurance takes effect and terminates is given. The policy must also purport to insure only one person, unless it is a group or blanket policy, or is issued to the head of a family covering members of that family.

All printed matter and endorsements must be in uniform type of not less than 10 point. However, the commis-

sioner cannot disapprove a policy on the ground that text matter is not in uniform type if that type conforms to laws of another state in which the insured is licensed.

Section 4 covers the standard provisions law, and the optional provisions are dealt with in Section 5.

### Eight Other Provisions

In section 6 there are listed eight other provisions which may be used substantially as listed. They make more definite the clauses covering failure to give affirmative proof of loss within 90 days; interim proof of continuance of disability; extended disability benefits of \$200, which is not to be construed as life insurance; liability for loss because of violation of law; liability because of insured's use of intoxicating liquor or narcotics; liability for misstatement of age; liability because insurance income exceeds the amount of insured's earned income; a requirement for including such portions of the charter, constitution or by-laws as are made a part of the policy; and a clarification of standard provision 1(B) covering change of classification.

### Provisions in Conflict

Contradictory provisions are prohibited by section 7. No policy may be issued or delivered containing substitutes or conflicts with the proposed draft.

Foreign policies are covered in section 8.

Section 9 is on construction of policy issued in violation of the proposed

law, and notes that such policy shall be valid if in violation, but provisions in conflict shall be governed by the proposed law.

Section 10 deals with applications, and says that false statements in the application shall not bar right to recovery unless they materially effect acceptance of the risk or hazard assumed.

Discrimination is prohibited by section 11. Different premium rates, different benefits, or different underwriting procedure for individuals insured under group, family expense, franchise, or blanket plans must receive equal treatment on individual cases.

Section 12 prohibits rebates.

Notice of loss by insurer is covered in section 13 which, says that acceptance of such notice shall not operate as a waiver of rights of the insurer in defense of any claim under the policy.

### List Exemptions

In section 14, sickness and accident insurance is exempted from attachment and execution to a limit of \$200 per month. Lump sum payments are also exempt.

Sections 15, 16, 17 and 18 provide for industrial, franchise, group, and blanket plans.

Revocation of license and fines for wilful violation of the proposed law are dealt with in section 19.

In section 20 the proposed law states that it shall not apply to or effect workmen's compensation or liability, or life insurance contracts.

Section 21 provides for appeal from commissioner's rulings. The next section covers repeal of conflicting state laws, and the last is for an effective date of the proposed draft.

Section 22 provides for including such portions of the charter, constitution or by-laws as are made a part of the policy; and a clarification of standard provision 1(B) covering change of classification.

## Mexican Motor Cover Outlined

(CONTINUED FROM PAGE 27)

torist is required to declare to the Mexican insurer any other existing insurance and where a tourist has been policies, according to Mexican officials the loss would be subject to prorating. Such an arrangement, Mr. Benbrook said, would cause confusion and delay.

There are some companies that extend their policies to Mexico and maintain their own adjustment facilities. Practically all of the present officials of Mexican companies were formerly general agents of British and U. S. companies prior to their withdrawal from Mexico. A few companies still use these general agents and their facilities to handle claims in Mexico.

The subject is especially important since completion of the Inter-American Highway will create problems embracing the entire southern hemisphere.

## Unveils Proposed Statement Blank

(CONTINUED FROM PAGE 27)

item could be provided which would adequately and satisfactorily take care of the differences in mode of collection. It was concluded that for casualty companies the premiums in course of collection should be converted from a gross basis to a net (less commissions) basis. A single item "agents' balances or uncollected premiums" has been provided in the proposed blank. The conversion of the casualty premiums in course of collection to a net basis eliminates the necessity of any liability item in the combined blank for unpaid commissions other than contingent commissions and other similar charges.

### Follows Suggested Order

Mr. Tarbell said that in the arrangement of items, particularly assets and liabilities, the committee followed in part at least the arrangements suggested in a paper presented by Lawrence Miles of Froggatt & Co., at a previous meeting of the association. In general, assets appear in the commonly accepted order—current assets, investments, property, plant and equipment. About the only exception is the item "interest, dividends and real estate income due and accrued, less received in advance" which is properly a current asset but in this instance precedent probably influenced the committee in dropping the item below real estate. With minor exceptions, the liabilities for which specific provisions have been made have been arranged in the generally accepted order. Some exception might be taken to the position of the item "unearned premium and other similar reserves" on the theory that this item is definitely a deferred liability. However, here again the committee was probably influenced somewhat by precedent, Mr. Tarbell said. The item because of its relative importance seems to fit in better in the position to which it has been assigned.

"Policy claims" occupies the first position on the liabilities page, since for most lines of business these are definitely current liabilities. Mr. Tarbell conceded, however, that exception might be taken to this statement, particularly as respects casualty companies writing workmen's compensation. For the average company a considerable portion of the reserve for workmen's compensation claims represents long term claims which will be liquidated over a considerable period of years and in certain cases consist of life annuities. However, it may be argued that these types of claims are current claims in the sense that they have accrued. A similar situation exists in connection with the reserve for bodily injury claims where, as a practical matter, a considerable portion of such claims, particularly those which involve litigation, are not disposed of for a considerable

## Alberta Fund Reports Fire Underwriting Cost of 149%

TORONTO—Reports indicate the amount of fire insurance business transacted by the government of the province of Alberta in 1945 was exceptionally light and operating costs high in relation to costs of commercial companies.

The first 10 months of 1945 written premiums were \$119,965 and premiums earned (80% reserve basis) were \$101,484. At the same time fire losses were \$59,193. This resulted in a loss ratio of 58.33% to premiums earned and 49.34% to premiums written.

Gross premiums written, less cancellations and return premiums, were \$268,191, and of this \$148,226 was reinsured. Total income was \$170,315 including reinsurance commissions and investment income. Expenses were \$92,593 which produced a total underwriting cost of \$151,787, or 149.57% of premiums earned. Revenue exceeded expenditure by \$18,528.

A relatively unstable report, also, is indicated in the operation of the government's life insurance department, according to figures at hand. The government life department has assets of \$97,013. The revenue deficit was reduced by \$2,876. Net premium income is shown at \$39,269 and total revenue, including interest, was \$42,882. Expenses of the department were \$15,264 and business in force was \$1,973,755.

Charles W. Tye, tax counsel of Maryland Casualty, will address the Institute on Federal Taxation, New York, Nov. 14, on "The Tax Benefit Doctrine and War Loss Recoveries." He will also act as presiding chairman Nov. 19. On Dec. 3 Mr. Tye will address the National Assn. of Cost Accountants at Baltimore on "Tax Status of Corporate Distributions."

Hartford Accident has taken over 6,500 additional square feet in its New York office at 110 William street.



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AGE 27)

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AGE 27)

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The statement of income and capital and surplus accounts provides, in a more or less condensed form, the information now provided for in the underwriting, investment and miscellaneous exhibits of the present annual statement blanks. Mr. Tarbell remarked that the statement of income and capital and surplus account, as suggested, permit capital gains or losses to be treated either as income or as surplus adjustments. He said that while it appears to be sound practice to treat realized capital gains or losses as income and unrealized capital gains or losses as surplus adjustments, there are certain transactions which do not readily fall into one or the other classification and, further, there are differences of opinion as to the types of capital gains or losses which should be classified as realized or unrealized. For these reasons it was concluded that a degree of latitude should be left to the companies.

Mr. Tarbell said that exhibit 4B (computation of unearned premium reserve) has been adapted from the "recapitulation" page 7 of the miscellaneous (casualty) blank. It does not provide for showing premiums in force and unearned premiums by individual years of issue and terms. In exhibit 5, the exhibit of expenses, the underwriting expenses are provided for on a functional basis—claim, acquisition, inspection, payroll audit and administration. In the case of administration, the functional expense has been broken down by accounts. The general setup of the exhibit has been adapted from page 3 of the present miscellaneous blank. It provides for showing both paid and incurred expenses. In the case of administration, the changes in unpaid expenses are not broken down by account as such refinement would appear to be unnecessary.

## PROGRESS MADE

The schedule of bank deposits has been amended to show only the balance as of Dec 31 of the current year and the cash on hand or in transit as of that date. It was the committee's unanimous conclusion that the inclusion of bank balances at the end of each of the first 11 months of the year is of no particular value.

It is proposed that the exhibits and schedules be arranged in the order in which they appear in the financial statement. This appears to be a logical arrangement, said Mr. Tarbell, even though it is a revolutionary change. It might be rather difficult to adjust one's mind to recognizing present schedule N as schedule A, present schedule E as schedule B, present schedule B as schedule E, etc. While a redesignation of schedules seems desirable, it is not of too great importance, he said.

## "Losses" Now "Claims"

Pointing out that the proposed statement avoids the use of "loss" or "losses" when referring to policy claims and have substituted "claim" or "claims," Mr. Tarbell said this appears to be a desirable change since it avoids any confusion which now results from the use of the word "loss" in two different senses. In the proposed blank the word "loss" is confined to underwriting, investment or other losses not associated with claims under policy contracts.

In arranging the lines of business the committee has followed, so far as possible, logical groupings. Lines 1-10 inclusive cover the physical damage lines of business commonly written by fire companies, except for automobile physical damage. Lines 11-17 inclusive cover personal injury lines. Lines 17-20 inclusive bring together all automobile lines. A few changes in the phraseology have been made. Line 4 designated as "sprinkler leakage" in the present fire blank has been changed to read "sprinkler and water damage." Line 9 now reading "inland navigation and transportation" has been changed to "inland marine"—the commonly accepted terminology used in referring to this line. Line 10 reading "aircraft" in the present fire

blank has been changed to "aircraft physical damage." This is to distinguish aircraft physical damage from aircraft bodily injury and property damage. The two latter terms would be included in lines 16 and 20 respectively.

One objective of the committee was to streamline the statement so far as possible, and Mr. Tarbell expressed the opinion that some progress had been made along these lines. The committee also eliminated from the statement certain items which appear to be unnecessary and has not made specific provision for certain items which apply to only a very limited number of companies. It is contemplated that the omitted items will be reported in the blank lines provided on the various pages and exhibits.

Besides the eliminating of premiums in force and unearned premium reserve on fire risks by year of issue and term, there is no specific provision for deposit premiums on perpetual risks. The amount of such business appears insufficient to justify making specific provisions therefor and it was contemplated that deposit premiums would be included with fire business and will be so segregated on the company's records that the proper unearned premium reserve may be determined. The exhibiting of casualty premiums in the course of collec-

tion by line of business has been eliminated.

This division appears to serve no valuable purpose, Mr. Tarbell said. Loss expenses paid and unpaid are not broken down by line of business as provided for in the present miscellaneous blank. While such a breakdown is necessary for producing expenses by line of business as required by the casualty insurance expense exhibit, it is not necessary in the financial statement proper.

Mr. Tarbell said that the Insurance Accountants Assn. deserved the credit for initiating the basic idea of a combined, streamlined blank for both fire and casualty insurers. He said that the record further shows that the association continued to develop the idea of a streamlined statement blank and in 1944 brought out a form which, in addition to including the streamlining previously suggested, included desirable changes in the financial statement proper. That form contains several features which have been incorporated in the proposed blank.

Mr. Tarbell's paper was a report on the studies that have been made and was presented for the association's information. It has not yet been presented to any governing bodies for their inspection and approval.

## N. J. Agents Vote at Annual Meet for Paid Secretary and Dues Increase

(CONTINUED FROM PAGE 1)

minimum dues rate than New Jersey and 16 have higher minimum dues. Sixteen have a lower maximum and 22 have a higher maximum. The average dues for all state associations in the National association is \$18.89 as against New Jersey's average of \$14.10. He mentioned that the Kansas association has just decided to employ a full-time secretary and in anticipation of this has raised its dues from 25 to 50%. He listed educational groups, safety councils, fire prevention work and legislative matters among the activities in which a paid secretary would engage.

The New Jersey plans call for increasing dues from \$10 to \$12.50 for agencies with premium income up to \$10,000 a year; from \$15 to \$25 in the \$10,000 to \$40,000 bracket; \$25 to \$50 in the \$40,000 to \$100,000 range; \$35 to \$70 in the \$100,000-\$200,000 group, and \$50 to \$100 for agencies above \$200,000. The number of agencies in each of these classifications is, respectively, 550, 295, 93, 25, and 15.

Sol Holland of Jersey City made the point that many members don't pay dues in their proper classification. Mr. Zimmerman said one of the roles of a paid secretary would be to help correct this situation. He would also help the dues income by working to get additional members.

W. Russell Massey, Trenton, membership chairman reported a net increase of 34, bringing the membership to 1,013. Mr. Massey spoke feelingly, urging every member to get another member.

R. E. Stevens, Newark, reported as educational committee chairman on what has been done on courses to prepare applicants for license examinations.

There was considerable discussion of the failure of the new agent's and broker's licensing law to keep part-time insurance men—particularly automobile salesmen and insurance company employees—from being licensed. E. F. Walton of Trenton, chairman of the agent's qualification committee, said that the law passed in 1944 as a means of tightening up the qualifications had been interpreted considerably more technically by the insurance department since

the passage of public law 15.

He said his committee had spent a lot of time with the department following receipt of complaints from members that licenses were being granted to men whom it was thought that the law would prevent from being licensed. The department can find no reason why the fact that an applicant for a license says he is an automobile dealer is any reason for denying him a license if he can pass the examination and meet the other requirements.

## COMPANIES ARE KEY

Asked if the department would cooperate in getting a better law, Mr. Walton said it would not cooperate in making the present law any tighter than it is now, or "building a fence around our business," as long as the individual seeking a license meets the requirements, including the statement that he intends to make the selling of insurance "a material part of his livelihood." The only course appeared to be to try to get the companies not to appoint as agents men who should not be in the business.

Mr. Frankbach said that despite the loopholes cited by Mr. Walton, the law had proved effective in keeping out a great number of individuals who would otherwise be able to solicit insurance. He mentioned that the first year the law was in effect there were 75% fewer appointments than in the previous year.

As a possible counter to the auto dealer who acts as an agent, it was suggested that since the dealer's salesmen were probably not licensed, efforts should be made to prosecute any cases where an unlicensed salesman takes part in an insurance solicitation. Nobody seemed to have much hope that this attack would amount to much, however.

In answer to a question, Mr. Frankbach emphasized that it was not a

## Hendee Assistant Southern Head of Commercial Union

Roy K. Hendee has been appointed assistant manager of the southern department of Commercial Union at Atlanta effective Jan. 1.

Mr. Hendee was born at Decatur, Ga. He has been associated with the fire insurance business all his life and joined Commercial Union in 1921. For many years he has served the southern department as agency superintendent.

matter of flaws in the present law but of the law's interpretation by the insurance department in the light of public law 15.

In his presidential report Mr. Frankbach mentioned that the association has retained the consulting actuarial firm of Woodward & Fondiller, New York, in connection with the association's opposition to the retrospective rating plans submitted to the governing committee of the state rating organization following the breaking off of conferences by the National Bureau's committee. A comprehensive brief and plan on behalf of the association was placed before the department.

Mr. Frankbach touched on the association's sound financial condition, its gain in membership, the fact that no legislation has been enacted in Trenton which the association has opposed, the need for increased minimum premiums on dwelling business because of the rapidly increasing loss and expense ratios, the need for a permanent paid secretary, the fine relationship between the insurance department and the association, and the need for pushing the bank and agent auto plan.

## Frankbach Makes Recommendations

Mr. Frankbach recommended a closer relationship between the county vice-presidents and the state association, the development of the public relations program outside of the legislative activities by furthering fire and accident prevention programs, the development of a speakers' bureau program for appearances before other trade associations and service clubs, and the encouragement of members to do a better job in the merchandising of insurance, such as by a series of articles in the "New Jersey Agent."

Touching on the experience of agents who have had policies returned because mortgagees insisted on doing business only with their favored agencies, Mr. Frankbach stressed the need for an anti-coercion law such as New York has.

County vice-presidents consist of the presidents of those counties having county associations except Robert H. Harmer, immediate past president of Camden county's association. From the counties not having county associations the following were elected: Atlantic, Charles H. Fulton, Atlantic City; Cape May, Arthur M. De Maris, Ocean City; Cumberland, J. Herbert Fithian, Bridgeton; Gloucester, Miss Ada Wilkins, Woodbury; Hunterdon, George R. Parker, Flemington; Salem, O. W. Acton, Salem; Sussex, Harry E. Watt, Franklin; Warren, Albert B. Craig, Blairstown.

H. L. Brooks, Bloomfield, state national director, reported that 25 New Jersey agents attended the recent National association meeting at Denver. Reviewing the progress of the National association, its reorganization and "democratization" several years ago, Mr. Brooks said that there has been a real attempt to get closer to the grass roots. He pointed out that the state national directors are the real policy-making body of the N.A.I.A. and that the executive committee no longer "dictates policy to us as members." He pointed out that this year changes in the constitution make the operation of the N.A.I.A. even more democratic.

Mr. Sinn, chairman of the bank and



C. H. Frankbach



E. F. Walton



H. L. Brooks

agent auto plan committee, said that the principal job is to keep the plan alive until the cars start rolling off the assembly lines in quantity. He pointed out that if the banks and agents are impatient at delays, the same situation applies to the finance companies. The biggest handicap aside from lack of cars, is the difficulty in getting the National Bureau to approve a 15-month period of coverage. He said that only a few days ago the bureau had again voted against this step. A motion was carried that there should be a resolution asking the bureau to make this change.

The banquet was preceded by a very well attended cocktail party given by the America Fore group. Acting as hosts were Frank Ennis, advertising manager; Raymond Rieder, secretary; A. H. Derbyshire, assistant secretary, and Stanley Tibbets of the general cover department.

E. C. Stone, U. S. manager of Employers Liability, was the principal banquet speaker and discussed federal and state regulation of insurance along much the same lines as he did in his recent talk at the convention of the Kansas Assn. of Insurance Agents.

## FTC QUESTION

Sketching the broad powers of the federal trade commission, Mr. Stone expressed strong doubt that anything short of a baby federal trade commission act in each state would be sufficient to oust the federal trade commission act. He said this was one of the nicest legal questions in connection with public law 15 and that "even the omniscient all-industry committee hasn't got the answer to that one yet."

Mr. Stone mentioned the recent "Saturday Evening Post" article on Liberty Mutual's insurance store at Evanston, Ill., as a warning of what will happen if participating carriers continue to have their present advantage in non-regulation of their dividends where all companies are required to charge the same gross rate. He ascribed Liberty's tremendous growth since 1912 to what he termed the unfair competitive advantage it has in closed states and which will prevail elsewhere and in other lines if the rate regulation principle is applied generally.

## Gough Pinch-Hits for Carey

L. B. Carey, New Jersey commissioner of banking and insurance, was scheduled to be the other speaker but could not be present because of a previous engagement. His place was ably taken by Deputy Commissioner Gough. He paid tribute to Mr. Stone as "one of the outstanding square-shooters among company officials," even though all might not agree with his doctrines.

Mr. Frankenbach, acting as toastmaster, also introduced Charles H. Fulton, president of the Atlantic City association; Granville Steelman, chairman of the committee in charge of arrangements for the N.A.I.A. 1947 convention to be held at Atlantic City, and Jack E. Baldwin, assistant secretary of N.A.I.A., all of whom spoke briefly.

The following morning there was a sales forum, reported elsewhere in this issue, which produced a number of valuable selling suggestions. It was a full program but was run off without delay and the session finished ahead of time.

## Fairleigh Installs Officers

At the luncheon which was the final session, George Du R. Fairleigh, treasurer and assistant secretary of N.A.I.A., installed the new officers. The William J. Wilson trophy, presented by the Atlantic City association each year to the county board having the most outstanding record for service to the insurance business, was presented to the Mercer County association.

Mr. Brooks, on behalf of the association, presented to retiring President Frankenbach an order on a silversmith

for the purchase of flat silverware.

The scheduled guest speaker, Charles A. Eaton, Jr., executive vice-president of the N. J. state Chamber of Commerce, was unable to be present because of serious illness in his family and

his talk was read by A. H. Myer, director of the Chamber's department of public affairs. It dealt with public relations and legislative matters, mentioning particularly the pending proposals for a sickness benefit plan.

## How Big Cities Rank on Premiums

(CONTINUED FROM PAGE 1)

Mutual Casualty	43,448,851
Reciprocal & Lloyds	10,350,431
Acc. & Health	48,370,654
Hospitalization	6,738,161
Life	58,251,178
Fraternal	16,689,221

Total ..... \$ 288,369,953

### MILWAUKEE—7

Stock Fire	5,829,728
Mutual Fire	1,522,031
Stock Casualty	1,318,083
Mutual Casualty	1,506,689
Acc. & Health	1,943,923
Hospitalization	2,100,077
Life	178,618,397
Fraternal	1,086,339

Total ..... \$ 193,925,267

### BALTIMORE—8

Stock Fire	11,501,724
Mutual Fire	136,050
Stock Casualty	117,203,401
Mutual Casualty	17,263
Acc. & Health	331,098
Hospitalization	2,424,820
Life	29,282,620

Total ..... \$ 160,896,976

### LOS ANGELES—9

Stock Fire	350,035
Mutual Fire	87,222
Stock Casualty	42,021,474
Reciprocal	23,014,105
Acc. & Health	13,181,381
Hospitalization	1,121,527
Life	54,710,232

Total ..... \$ 134,485,976

### SAN FRANCISCO—10

Stock Fire	56,186,702
Stock Casualty	27,314,464
Reciprocal	13,394,958
Acc. & Health	14,526,121
Life	4,713,316

Total ..... \$ 116,135,561

### SPRINGFIELD, MASS.—11

Stock Fire	26,323,932
Mutual Fire	24,802
Stock Casualty	705,217
Acc. & Health	5,001,128
Life	77,946,200

Total ..... \$ 110,001,279

### CINCINNATI—12

Stock Fire	459,139
Mutual Fire	158,712
Stock Casualty	677,095
Acc. & Health	3,060,398
Hospitalization	3,680,324
Life	97,701,612
Fraternal	358,992

Total ..... \$ 106,096,272

### DES MOINES—13

Mutual Fire	12,089,646
Stock Casualty	1,844,330
Mutual Casualty	9,853,478
Reciprocal	2,552,229
Acc. & Health	2,566,692
Hospitalization	1,615,389
Life	72,828,111
Fraternal	713,043

Total ..... \$ 104,052,928

### OMAHA—14

Stock Fire	889,259
Stock Casualty	69,417
Acc. & Health	58,356,415
Hospitalization	365,097
Life	27,681,004
Fraternal	14,803,759

Total ..... \$ 102,164,936

### NASHVILLE—15

Acc. & Health	15,267,037
Life	56,448,137
Fraternal	293,924

Total ..... \$ 72,009,098

### KANSAS CITY—16

Stock Fire	1,998,243
Mutual Fire	1,149,168
Stock Casualty	21,445,304
Mutual Casualty	1,251,182
Reciprocal	9,751,601
Acc. & Health	7,724,940
Hospitalization	798,123
Life	27,128,666

Total ..... \$ 71,247,227

### DALLAS—17

Stock Fire	8,180,247
Mutual Fire	104,810
Stock Casualty	15,468,526
Mutual Casualty	7,126,800
Reciprocal & Lloyds	52,318
Acc. & Health	3,374,998
Hospitalization	874,242
Life	34,013,879
Fraternal	1,550,157

Total ..... \$ 70,745,977

### ST. LOUIS—18

Stock Casualty	15,468,526
Stock Fire	8,800,235
Mutual Fire	60,724
Stock Casualty	23,578,058
Reciprocal	1,648,243
Acc. & Health	6,117,297
Hospitalization	3,237,677
Life	21,582,158
Fraternal	1,606,115

Total ..... \$ 66,630,507

### DETROIT—19

Stock Fire	108,132
Mutual Fire	108,578
Stock Casualty	27,682,528
Mutual Casualty	9,170,715
Reciprocal	8,315,600
Acc. & Health	2,869,871
Hospitalization	7,414,271
Life	1,440,018
Fraternal	9,348,495

Total ..... \$ 66,458,208

### PROVIDENCE—20

Stock Fire	840,890
Mutual Fire	60,289,161
Mutual Casualty	2,529,542
Hospitalization	2,028,430
Life	229,953

Total ..... \$ 65,917,976

### PITTSBURGH—21

Stock Fire	14,980,798
Stock Casualty	2,817,025
Mutual Casualty	3,666,704
Acc. & Health	787,505
Hospitalization	5,521,737
Life	30,057,202
Fraternal	6,396,409

Total ..... \$ 64,227,380

### ST. PAUL—22

Stock Fire	26,028,270
Mutual Fire	676,601
Stock Casualty	14,060,232
Mutual Casualty	921,760
Acc. & Health	127,404
Hospitalization	3,627,912
Life	10,760,584
Fraternal	2,017,225

Total ..... \$ 58,219,988

## Business Speedup Breeding Fire Loss Through Laxity

An authoritative source at the Chicago fire commissioner's office, questioned on probable causes of the recent upsurge in fire loss, said one of the chief reasons is generally increased business activity which causes laxity in fire prevention and vigilance. Coupled with this, there is an increasing number of unreported structural changes, many of which are in violation of fire regulations to say nothing of common sense.

General carelessness of the public and business is just as prevalent as ever and must be counted prominently in any analysis of current fire conditions. The official said, however, that he does not believe there is any marked increase in public carelessness, although he said that, despite many campaigns and much publicity, people generally are all but totally lacking in "fire consciousness."

Fire fraud has dropped to a low mark, the moral hazard lessening largely because of prohibitive replacement cost of buildings, and the still critical shortage of structural materials.

Faulty, hasty, impromptu electrical wiring was pointed out as one particularly common example of carelessness and haste which contributes to fires.

Don P. Bolger has rejoined Continental Mutual Health & Accident of Denver. Major Bolger, who served as adjutant to General Olde, was stationed in England 2½ years. He is now associated with his sister, Myrtle Bolger Quinn, secretary of the company and president of the women's division of the National Assn. of Accident & Health Underwriters.

## Convention Dates

Oct. 28, Rhode Island Agents, annual Providence Biltmore Hotel, Providence.

Oct. 28-29, California Agents, annual Fairmont Hotel, San Francisco.

Oct. 28-31, Insurance Section, American Bar Assn., Atlantic City.

Nov. 8-9, Arizona agents, annual Gadsden Hotel, Douglas.

Dec. 5-6, American Management Assn., insurance conference, Drake Hotel, Chicago.

Dec. 9-11, N.A.I.C., midyear, Hotel Commodore, New York.

Dec. 11, Insurance Federation of New York, Hotel Commodore, New York.

Jan. 8-10, National Assn. of A. & H. Underwriters, Blackstone Hotel, Miami Beach, Fla.

### COLUMBUS—23

Stock Fire	765,291
Mutual Fire	2,340,017
Stock Casualty	4,001,701
Mutual Casualty	23,126,299
Acc. & Health	2,637,047
Hospitalization	861,531
Life	18,431,453
Fraternal	2,534,041

Total ..... \$ 54,697,441

### INDIANAPOLIS—24

Stock Fire	1,070,811
Mutual Fire	8,526,299
Stock Casualty	9,719,321
Mutual Casualty	2,619,317
Reciprocal	4,779,081
Acc. & Health	1,973,018
Hospitalization	697,583
Life	23,306,537
Fraternal	951,533

Total ..... \$ 53,643,314

### SEATTLE—25

Stock Fire	17,475,738
Mutual Fire	10,226,047
Stock Casualty	10,957,560
Reciprocal	28,310
Acc. & Health	1,773,311
Hospitalization	300,000
Life	9,295,561
Fraternal	253,211

Total ..... \$ 50,309,747



# ACCIDENT AND HEALTH

## Urges Agents to Wake Up to Cal. Act Potentialities

SAN FRANCISCO—First approval of policy forms by any private company under the provisions of the new California compulsory compensation disability act has been granted to West Coast Life. This is under the voluntary provisions of the act which demands that any private plan must be better than that offered by the state.

West Coast Life plan is effective Dec. 1. The plan has a waiting period of only three days as against the state's eight days. It provides for a benefit period of 26 weeks as against the state's 23.4 weeks maximum. The scale of benefits are also greatly increased and coverages are much broader than the state's system.

SAN FRANCISCO—Private companies which have submitted plans to enter competition with the state of California in providing disability coverage under the voluntary provisions of the state's new compulsory disability act, will give more for probably less amount of forced contributions from employees than the state plan, according to a study made by the brokerage firm of French & St. Clair here.

W. Shepard French voices the belief that employers will be wise to place their new compulsory disability insurance with the companies that now handle their workmen's compensation insurance. This, he said, will result in lower costs both in servicing compensation and in payments for the disability coverage. He also contends the private companies will give more for the money.

Under the state plan, he pointed out, all employees contribute 10% of salary up to \$3,000 a year; maximum weekly benefits are \$20 beginning the 8th day of disability for a maximum period of 23.4 weeks; benefits are available only when disability is incurred in California; patients must be treated by a California physician; benefits are payable only for a full week's disability after the waiting period and employees must have contributed for a period of at least three months before they are eligible for benefits.

### State Lacks Experience

Mr. French asserts that the state has no experience in servicing disability claims, that the "full week" provisions will often keep employees off the job longer than necessary in order to obtain at least one week's benefits; that there is no inducement for good experience and that payments will be made only at or through state unemployment offices.

Private companies, he states: Will usually provide equal payments for smaller contributions; benefits may be increased to as much as \$30 a week with smaller contributions without any waiting period if desired or with waiting periods of from four to eight days as requested; all benefits start on the first day of disability and will be paid for daily disability and not restricted to a full week; the coverage is world wide without restrictions as to locale of the disability or as to physicians and benefits will be paid direct to the insured—not through his employer.

The plan of the private companies, Mr. French stresses, will reduce malingerers, keep more employees on the job with less time off and also will give credit for favorable experience.

Mr. French expresses wonder over the apparent lack of interest on the part of agents and brokers, particularly those writing compensation business. He says that the potential premium income from this new act will run into many more millions than compensation premiums. He said that in one office where the annual compensation premium is \$50 the

## Three Cal. Insurers Back Farm Bureau Health Program

LOS ANGELES—Associated Indemnity; California-Western States Life, and Occidental Life are underwriting a health program for California Farm Bureau Federation providing for hospitalization, surgical and medical care, benefits, bringing farmers and farm labor under such a plan for the first time.

Members of the bureau can obtain coverage for themselves, their employees and dependents, under family or group plans.

Coverage is provided under family policies for members and employees who have not qualified for group coverage. Group coverage is provided for members and their dependents, employees of members and their dependents, and employees of the farm bureau and affiliated farm bureaus and their dependents.

### Schedule of Benefits

The schedule of benefits includes: hospital confinement cases; surgical operating expense; medical care during hospital confinement; X-ray and laboratory examinations; medical care at home or the doctor's office. Payments will be made with the first day of treatment for each accident and with the fourth day of treatment for each illness.

Under family coverage, the monthly cost if paid annually is \$3 for a member or employee; \$3.50 for a spouse and \$1.00 for each child. Under group coverage the monthly cost, if paid annually, is \$3 for a member or employee; \$2.50 for a spouse, and \$1.50 for all children. In all cases an initial registration fee of \$5 is required in both classes, but if it is paid for family coverage no additional fee is required for transfer to group coverage.

Free selection of physician, surgeon or hospital is left to the member. The companies operate on a fixed administrative fee basis.

Vice-president Gordon Baine of Associated Indemnity will handle the plan for the companies and all claims will go through that office. The plan has been approved by the California department.

## Phila. Membership Drive

At a meeting of the executive committee of the Accident & Health Association of Philadelphia, Vernon S. Phillips, Occidental Life, was appointed chairman of the membership committee. Mr. Phillips outlined an extensive campaign for new members which will start in November. Radcliffe Whitehead, Maryland Casualty, was named as chairman of the program committee.

## Plan N. D. Sales Congress

The North Dakota Assn. of Accident & Health Underwriters is planning to hold a sales congress at Bismarck Nov. 15. A. A. Ramstad, North American Life & Casualty, Minot, is president of the association; Ed Boe, Grand Forks, vice-president, and T. H. Luedke, Minot, secretary.

## Urges Athletic Insurance

At the meeting of the New Jersey Public School Business Assn. at Trenton, Russell Rinehardt, secretary of the West Orange board of education, urged each school district to adopt some form of athletic insurance. Belleville, West Orange and Glen Ridge are the only Essex county schools that carry such policies, he said.

new act will demand approximately \$200 in the case of a compensation risk now paying \$10,000 for compensation insurance the premiums under this new coverage will mean premiums of more than \$60,000.

## Paul Revere and Mass. Protective Life Merge

Massachusetts Protective Life has merged with Paul Revere Life and the continuing company will be Paul Revere. Both have been under the one management and the company resulting from the merger continues with the same management. Both are sound, strong companies and the merger will continue this strength, as well as to effect many operating advantages.

The merger does not change the status of any policy contract in either company. Paul Revere Life will assume completely the obligations under the other company's life policies and there is no change in any respect in policy terms, values or premium rates.

### Great Increase in Force

Paul Revere will have nearly \$150,000,000 life insurance in force at the end of this year. It also is the second largest non-cancellable accident and health company in the country.

President F. L. Harrington stated in a letter to policyholders there are few if any advantages in operating as separate life companies; the efficiency and economies of operating resulting from elimination of duplicate policy forms, license fees, reports, etc., resulted in the decision to merge. A certificate of Paul Revere was sent to policyholders of Massachusetts Protective assuming completely all its obligations.

The merger does not apply to or affect in any way Massachusetts Protective Assn, the other and original company under this same management, which does exclusively an accident and health business.

## Wis. Blue Cross in Ia.

MILWAUKEE—Associated Hospital Service of Wisconsin has branched out into Iowa by taking in two hospitals in Dubuque, making four states in which it is now operating. Previously it had taken into associate membership two hospitals in other borderline cities—Duluth, Minn., Iron Mountain and Menominee, Mich. It now has 99 member hospitals, 92 of them in Wisconsin.

## Business Women's Policy

Massachusetts Indemnity has brought out a noncancellable disability policy for business and professional women, ages 21 to 50, guaranteed renewable to age 60. When illness or accident causes loss of professional or business time, the policy pays for hospital, nurse and surgical operations with a limit of \$150 per month and house confinement not required.

## Credit Life in California

Credit Life, Springfield, has been licensed to write life and disability insurance in California. H. B. Moorers & Co., of Oakland, are general agents for the state.

## Merritt V.-P. of Central, Ia.

Francis L. Merritt has been elected vice-president and director of agencies of Central Life of Iowa.

Mr. Merritt started in the business in 1927 with the Walter J. Stoessel agency of Connecticut Mutual Life at Springfield, Mass. Then for nine years he was with Monarch Life as supervisor, superintendent of agencies, and vice-president and manager of agencies. For the past five years he has been assistant superintendent of agencies for National Life of Vermont.

H. E. Whiteley will continue as superintendent of agents, assisting Mr. Merritt in agency affairs management.

Dr. A. A. Jenkins of the Utah department of health discussed infantile paralysis at the October meeting of the Utah A. & H. Club at Salt Lake City.

# SURETY

## Surety Claim Men Meet with Federal Representatives

NEW YORK—Representatives of three federal agencies attended a meeting of the Surety Company Claim Men's Forum and discussed crimes that are causing property losses to commercial and financial institutions.

The representatives were Special Agent Donald V. Shannon of the FBI, Supervising Agent U. E. Baughman of the U. S. secret service, and James M. Graham, assistant inspector in charge of the New York division of the Post Office Department. An open forum followed the talks.

It is felt that the meeting will promote a closer bond of cooperation between the claim men and the federal agencies to curb criminal activities as they affect business.

At the next meeting Oct. 30 E. J. O'Donnell, Hartford Accident, will preside.

## McNeil St. Louis V.-P.

ST. LOUIS—C. W. McNeil, American Surety, has been elected vice-president of the Surety Underwriters Assn. of St. Louis to succeed Harold Gee, formerly manager here for Metropolitan Casualty, recently promoted to an executive post at Chicago.

### Ask Self-Insurer Bond Rate

LOS ANGELES—Employers electing to become self-insurers under the unemployment compensation disability benefit law which becomes effective Dec. 15, are required to file with the state commission bond with an admitted insurer for half the contribution which would have been paid by employees to be covered during the preceding year or half the estimated contributions for the ensuing year.

This feature of the act so far has apparently been given scant attention, but because of the near approach of the effective date, the Surety Underwriters Assn. of Southern California has asked the Towner Rating Bureau to establish a rate for this bond.

# COMPANIES

## Examiners Reduce Surplus

A decrease in surplus of Bakers Mutual of New York of \$353,239 from that which was claimed by the company at Dec. 31, 1945 has been brought about by an examination by the New York department. The surplus shown in the examination is \$1,616,596. The department compelled an increase on account of New York workmen's compensation loss reserves of \$217,374, personal injury liability loss reserve \$32,703, New York industrial commission expense \$44,123, reserve for expenses of investigation and settlement of claims \$44,612.

## Now Wolverine Mutual

The title of Wolverine Mutual Motor of Dowagiac, Mich., has been changed to Wolverine Mutual.

Franklin J. Connors of Kaler, Carney & Liffer, president of the Boston Board, has been elected a director of Massachusetts Plate Glass.

Pacific Employers has been licensed in Virginia.

Aviation & General has been licensed in Alberta.

National Union Indemnity has been licensed in Ohio.

## S. F. Branch Office Moves

The San Francisco branch office of the Accident & Casualty has been moved to 103 Montgomery street.

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## CHANGES IN CASUALTY FIELD

### Milford St. Louis Claims Head; H. H. Scott Retires

American Automobile has appointed John W. Milford as claims manager of the St. Louis branch.

Mr. Milford succeeds Harold H. Scott, who, for reasons of health, is retiring from active duty after more than 29 years with American Auto. Mr. Scott has been claims manager of the St. Louis office since 1922. He is a native of Kansas City. He attended Northwestern University and received his law degree at the Benton College of Law in St. Louis.

After joining American Auto organization in 1917, Mr. Scott was placed in charge of the claims office at Memphis.

Mr. Milford has been with American Auto 25 years. He is a graduate of St. Louis University, where he received his law degree in 1921. For a number of years he served as city attorney of Shrewsbury, Mo., and in 1941 and again in 1944 he held the office of vice commander of Stockham Post of American Legion.

### Hightower Joins Iowa Mutual Liability at K. C.

W. C. Hightower has joined Iowa Mutual Liability as manager of the newly established claim office at Kansas City. He will supervise claims in western Missouri and northeast Kansas.

Mr. Hightower has been with Ray W. Curran, attorney and independent adjuster at Kansas City since January. Previously he was with the Kansas City claim office of U.S.F.&G., and subsequently with Employers Liability and American Fidelity & Casualty as general adjuster. He has been in the casualty field for over 21 years.

### Manufacturers & Merchants Opens Coast Offices

Manufacturers & Merchants Indemnity of Cincinnati has opened offices on the west coast with headquarters at San Francisco. J. W. West, formerly manager at St. Louis, has been appointed manager for the west coast.

D. C. Frisbie has been appointed manager at Seattle.

### Amer. Ind. Names Jansen

American Indemnity has appointed Ernest L. Jansen special agent in Maryland, Delaware and Washington, D. C. Until recently he was special agent for Home in Staten Island, N. Y., and recently was in charge of the insurance department of Accurate Personnel of New York City.

His insurance experience dates back to 1927 and includes fire and automobile. He formerly was editor of educational bulletins and instructor for N.A.I.A. courses in Richmond county, N. Y.

### Proctor to Sacramento Post

John G. Proctor has been appointed special agent at Sacramento, Cal., by United Pacific Casualty. He joined the San Francisco office in 1945.

### Am. Surety Northwest Shifts

M. A. Dixon has been appointed special agent in American Surety's northwest department, Seattle. John Watts, who has been superintendent of claims, has been transferred to Los Angeles, and his post at Seattle has been filled by Paul J. Shusta, formerly with M. P. Totten Co., independent adjusters.

### Cage Manages Lloyds of Waco

Ben Jack Cage & Co., Houston, recently became general manager for Texas Lloyds of Waco. The agency

maintains branches at Dallas and El Paso and is now represented in Chicago by Andrew J. Helmick, resident vice-president of Peerless Casualty.

### Schubert Wichita Manager

E. W. Schubert, formerly of St. Joseph, Mo., has been appointed Wichita manager of Hartford Life Stock, succeeding Arthur H. Nissen, who died suddenly in September.

## PERSONALS

R. E. Hall, Chicago manager of Central Surety, is on a motor expedition that includes a visit to his daughter at Sullins College, Bristol, Va., and an inspection of his tobacco plantation near Annapolis, Md.

Alfred K. Perego, Milwaukee manager of Wisconsin National Life, prominent in life organization work and immediate past president of the Accident & Health Underwriters of Milwaukee, has been elected commander of American Legion Aviation Post of Milwaukee, one of three aviation posts in the country. A pilot in the first war Mr. Perego was a major in the civil air patrol in the recent war.

Roy Tuchbreiter, president of Continental Casualty and Continental Assurance, returned home this week from vacation on his ranch in Oregon. On his ranch there grows wild a large number of foxglove plants from which digitalis is made. Mr. Tuchbreiter is able to market this to good advantage. His main product, however, is Hereford breeding cattle.

## DEATHS

Mrs. Maud L. Graham, wife of L. L. Graham, vice-president of Business Men's Assurance, died after a brief illness. Mrs. Graham was known to many insurance executives whom she met at meetings of the International Claim Assn. Mr. Graham has been secretary of I.C.A. for many years.

### Chicago A. & H. Forum Offers Sales Ideas That Click

(CONTINUED FROM PAGE 18)

tion of it, get no credit and promptly will have to pay all. The union business agent probably will designate the broker in the case, which is fine for the broker, but may not suit the employer so well.

### Other Business Through A.&H.

Charles H. Bournstine, Occidental Life, told of his experience in getting other business through accident and health solicitations. Mr. Bournstine said he started in life insurance, but found that many people who said they were not interested in it were interested in accident and health and he started using that approach. Most people are selfish, he said. They take the position that their families will get along some way, but they are interested in what may happen to themselves. He told of one accident and health solicitation in which he was stressing the 80% limit on income, where the prospect said he thought he should have \$800 per month. That gave him a direct line on the amount of the prospect's income and within 60 days he had written him for \$40,000 of life insurance.

He emphasized the necessity for answering all questions in the application fully and properly. In life insurance, the burden of securing the information as to the prospect's physical condition is on the medical examiner, but in accident and health insurance it is entirely up to the agent or broker.

## Model Bills Are Condemned

(CONTINUED FROM PAGE 1)

recognition, particularly where there is danger of the insured being squeezed by the coinsurance clause. One agent got a big hand when he asserted that the 80% clause should be abolished.

Commissioner Perkins began the rating bill discussion at the close of that session, when he announced that he still has an open mind on the bills and that he is primarily concerned with their effect on Maine agents and companies.

He was unimpressed by the "uniformity" argument advanced by all-industry advocates. He said there are going to be 48 laws next year but that he doubted if there would be 10 alike.

The banquet program was purely entertainment.

The session the next morning began with a brief description of N.A.I.A. operations by Mr. Perkins of Manchester. He said that as a result of the constitution revision adopted at Denver, the power in the N.A.I.A. is now vested in the national board of state directors and the organization is now truly democratic. He did not take a stand one way or the other on the rating bills.

### Uses "Underwriting" Profit

Then Commissioner Perkins took the floor and called for comments on the rating bills from the agents. He said that he had already amended his original drafts, to make minor changes in the judicial review section and to insert "underwriting" before profit in the section that states that the commissioner shall allow a reasonable margin for profit in the rates.

The company men had been unanimous in asking this change at the Augusta hearing, in order to keep investment income separate from underwriting results.

### Payson Outspoken Critic

H. M. Payson, Portland, was the most outspoken critic of the all-industry bills, saying that there was no need of filing rates with the commissioner but that giving the commissioner discretionary authority over rates and rating bureaus would be adequate. Other agents held to the view that Maine should adopt the framework of the all-industry bills but allow continued freedom in meeting competition, as by equity rates. The commissioner seemed to feel that this could be done.

Final framing of the association's stand on the rating bills was referred to a special committee, which will also determine the agents' stand on substituting a countersignature law for the present Maine department ruling on countersignature. The committee consists of President Jullien; National Director Paul; Howard Kyes, Wilton; John Whitcomb, Bar Harbor; B. H. Brown, Houlton; C. L. Ryder, Bangor; A. M. Dodge, Portland; and H. M. Payson, Portland.

### Jullien Gives Report

In his annual report, President Jullien referred to the appearance of Assistant Attorney General Wendell Berge at the New England agents' meeting in June as one of the most effective public relations accomplishments he had witnessed. He called for increased activity by Maine local and county boards.

Secretary Stevenson reported that the association's membership is now 179. He made a strong plea for educational work and increased board activity and described plans for publication of "Vacationland's Agency Bulletin" on a bi-monthly basis.

On the motion of National Director Paul, the Maine association unanimously endorsed the N.A.I.A. branch office report and resolution adopted at Cincinnati earlier this year.

That afternoon was devoted to a golf tournament under the direction of W. F. White of Lewiston.

## N. J. Forum Gives Usable Sales Ideas

(CONTINUED FROM PAGE 5)

apartment house properties. If such a risk were to sustain a severe loss, the mortgagee might have to foreclose and take over the damaged building, which they themselves could not repair under present conditions. Some mortgagees are asking that the owners carry rental value insurance for at least 18 to 24 months, and they would thus be guaranteed that the owner could pay his interest, taxes, etc., even though the building couldn't be repaired.

### Additional Living Expense

A very important companion cover to rent insurance today is additional living expense insurance. Not infrequently, a householder at a time of loss will find he is unable to secure shelter and he may be forced to take up residence in a hotel or similar establishment. It is not difficult to create interest by asking a few pertinent questions, which we may well ask ourselves here today, such as: Could you find a place to rent if you are forced out of your present home should it be damaged or destroyed by fire or some other peril? Would it be possible to establish residence for your family in a nearby hotel until your home is restored to tenability? Have you ever estimated how much extra it would cost for meals alone in such a contingency? Have you considered the possibility of increased cost for transportation such a change to a temporary living location might bring about? Should the insured locate a temporary dwelling, he would still be confronted with the extra expense of preparing it for occupancy, moving, possible transportation, and many other unthought-of incidentals.

The standard extra expense insurance form may be used. It may be written at the prospect's dwelling building rate. An excellent way to develop the sale of this form is to first buy it ourselves and then approach our present assured and the prospects.

## LEASEHOLD INTEREST

There are many new sales opportunities today for leasehold interest insurance. In areas where the level of business rents is rising, lessees enjoying lower rentals have a leasehold profit which should be protected.

The one important feature to be thoroughly understood when soliciting leasehold insurance is the fire clause in the prospect's lease. Leases are usually written so that they may be terminated at either party's option if a designated percentage of the property is destroyed. When a valuable lease is terminated in this way the insurable interest is represented by the excess rent which would have to be paid in securing equally satisfactory quarters.

### U. & O. Easier to Sell

The lessor or landlord also has an interest in a lease which may be cancelled at the option of the lessee in event of property damage. If the lease is terminated because of fire the property when rebuilt may bring a lower rent in the market prevailing when the property is again ready for occupancy, though such situations today are very remote. An agency with an active real estate department should have much valuable information available that would be helpful in the sale of the leasehold interest form to present customers. Much depends on the manner in which a lease is drawn. Consequently it is the preference of most insurance companies to accept this form only upon their approval of the fire clause in the prospect's lease.

Selling use and occupancy insurance today is not the task it was a few years ago, for it is more easily understood by an increasing number of potential prospects and decidedly easier to ex-

plain. To determine gross earnings applicable to the work sheet provided for the rating office as there could be between the two forms which factor in the salary payroll is a small accounting, a simple definition of "gross" is usually required as net sales, less plus any other business, the year's experience, a leased portion common source. Having thus established, an estimate results should be the case may be predicted. In finally determining insurance to be we should be the prospect's fluctuates, to be properly covered business, for clause in the ranging from 5 percentage use determined amount to be insured. Beyond the are others des common or un-

## BROAD-FORM

EDWARD W. broad form liability should be to see who has and who hasn't broad form can ited policies du months or even cover that son your limited fo form.

The second broad-form ac survey forms pany. Above a form proposi property dama an insured may P.D. as well the sale of P.D. In connection understanding need of it but quate limits. is currently be cause he used in laying line to have been. Fire and result reasons in their limits. The bility, also a erage, can als survey form. aware of the tractual and le

## Products Liability

Products liability coverage, is nurers as man the coverage is as is the case the companies to writing pro The broad-f of its insurin protection in expense of o providing full out need for ed period, in the insurance ularly in pr the unknown broad form position of p the damage la an unknown l



plain. To determine whether the two-item or gross earnings two-form is applicable to the prospect's business, a work sheet provided by the companies for the rating office should be completed, as there could be a difference in cost between the two-item and gross earnings forms which may be a determining factor in the sale, particularly if ordinary payroll is not to be covered.

On small accounts, where the gross earnings form is definitely the more practicable, a simple explanation of the definition of "gross earnings" is all that is usually required and may be defined as net sales, less cost of merchandise, plus any other income derived from the business, based on the previous year's experience. Rent received for a leased portion of the premises is a common source of such other income. Having thus established the gross earnings, an estimate of the present year's results should be added or deducted, as the case may be, according to the prospect's prediction.

In finally determining the amount of insurance to be carried under this form, we should be particularly cautious if the prospect's business is seasonal, or fluctuates, to make certain that he will be properly covered at the peaks of his business, for there is a contribution clause in the form, with percentages ranging from 50% to 80% (with variations in the rate, depending upon the percentage used), to provide for the determined amount of gross earnings to be insured.

Beyond the two basic forms, there are others designed to fit almost any common or uncommon situation.

## BROAD-FORM LIABILITY

**EDWARD UHLER:** In selling the broad form liability policy the first step should be to review present business to see who has the broad form contract and who hasn't. Otherwise, because the broad form can pick up coverage of limited policies during the term, it may be months or even years before you discover that someone else has converted your limited form customers to broad-form.

The second step is to solicit new broad-form accounts with the aid of survey forms provided by your company. Above all, never submit a broad-form proposition without including property damage protection. Otherwise an insured may think he is covered for P.D. as well as B.I. Also it increases the sale of P.D.

In connection with P.D. a great misunderstanding exists not only as to the need of it but as to the need of adequate limits. One Baltimore contractor is currently being sued for \$150,000 because he used an inflammable solvent in laying linoleum which was alleged to have been responsible for a bad fire. Fire and resulting damage are sufficient reasons in themselves for adequate P.D. limits. The need for contractual liability, also available as optional coverage, can also be brought out by the survey form. Few insurance buyers are aware of the difference between contractual and legal liability.

## Products Liability Not Shunned

Products liability, the third optional coverage, is not so unacceptable to insurers as many agents believe. Where the coverage is sold, rather than bought as is the case with hazardous products, the companies generally are agreeable to writing products liability.

The broad-form policy excels because of its insuring clause, in eliminating protection in gaps, in preventing the expense of overlapping coverages, in providing full automatic protection without need for notice within some specified period, in simplifying handling of the insurance for the insured, and particularly in providing protection against the unknown hazards. A holder of a broad form policy is actually in the position of purchasing protection after the damage has been done, for often the unknown hazard does not become a

known exposure until legal liability has been established.

For sales purposes the term "comprehensive" does not produce the results that "broad-form" does, especially when contrasting it with "limited form." The prospect immediately grasps the difference between broad and limited, realizes that broad is more desirable, assumes it costs more and is trying to decide whether the extra cost is worth it. When he finds how small the difference is there is never any objection.

## LIFE COVERAGES

**W. S. VOGEL:** The time is coming when you will have to get into the life insurance business in sheer self-defense. Some of the life insurance men are getting smart and are going into the general insurance business. Furthermore, you all know that you rarely lose a properly handled account and you can retain that account even after the death of your customer if you sold enough life insurance to keep the family from want so they can carry the proper personal coverages and enough business insurance to keep the capital of the business intact so the successors can carry on. Even where the younger generation takes hold of the business you would no doubt be able to carry on as the agent in appreciation of services rendered.

Your best bet of all is to go out with an agency man. Many agencies cater to brokerage business and they understand your problems and realize the sale is of secondary importance. You will also be surprised at the size of the cases they do write when your customer agrees to go along. Even those accounts that are slow pay very often go in for substantial life insurance contracts.

## Proportion of Commissions

The best way for you to convince yourself of the profit possibilities is to ask some of your fellow-members who have gotten into the life insurance field. From my own experience, a man's income from life insurance should range from 6 to 10% of his gross premiums, and I am not talking about the isolated cases where a man writes a large case and makes \$2,000 or \$3,000 commission. A small agency with \$30,000 of premium in force should have little difficulty averaging about \$2,500 per year in commissions. The larger agencies run a slightly smaller percentage.

## Insurers Apprehensive About Jerry Built Houses

With compulsory housing priorities going to speculative builders, with up to \$4,000 of the price guaranteed when the sale is to veterans, there is considerable danger of jerry building in the residential construction field, some observers point out. The country is house-hungry. Literally hundreds of thousands of veterans need housing. It will be easy to fool them with jerry-built structures.

It has been suggested that the state or municipality require that private builders, building for sale, be required to file complete plans and specifications as to quality and type of materials, with the municipality or state, and furnish a guarantee of some character, perhaps a bond, that the specifications will be lived up to. This would provide a penalty for violating, collectible within a certain length of time. What would happen is that the builder would be forced to go to the general contractor who would do a good job. The contractor and builder would share the bond.

Improper insulation, poor heating equipment and the like are very likely to lead to an increased fire hazard.

Liability underwriters covering residential properties may well be interested in the increase in the hazard of jerry built structures because of improperly built or guarded stairs, falling plaster, and so on.

## Buyers Play Model Bills

(CONTINUED FROM PAGE 3)

profit, would serve, to some extent, as a check on rate adequacy, and would let the public know where its premium dollars are going.

"Rate inadequacy," he continued "—alone and of itself—has not been more than negligible as a factor in insurance insolvencies. If present law is insufficient to guarantee carrier solvency and stability, would not safeguards, more precise and scientific than rate adequacy, be set up by spelling out in the law a ratio relationship between the assets of an insurer and its legal ability to assume risk, or such a relationship between its surplus and its premium volume? Most state laws now require certain amounts of paid up capital and surplus, but only the sky limits the liability to which an insurer may expose itself.

## Eliminate Major Discriminations

"To determine adequate, yet not-excessive insurance rates which are free from all taint of discrimination is a physical impossibility," Mr. Clements said. "Obviously, it costs less to underwrite and service one policy of \$1 million than it does to underwrite and service 1,000 policies of \$1,000 each. The best that can be hoped is that major discriminations against classes of policyholders can be eliminated, if such discriminations now exist. Until the actuarial activities of a majority of the state supervisory bodies have been expanded far beyond their present scope, it is difficult to conceive that demonstrably unfair discriminations will not be more strenuously prosecuted under the existing pattern of federal laws, with the federal Department of Justice as the enforcing agency, than under any added clauses of state law."

## Traces Insurance Inspection History

Speaking before the annual meeting of the National Association of Insurance Women at Atlanta, P. G. Sanford, vice-president and sales manager of Retail Credit, traced insurance inspections back 150 years ago when life insurance companies in England sent out questionnaires to friends of applicants for insurance to gain an insight into the moral and financial background of the applicant.

These friends' reports or references continue to be used through the 19th century, plus an occasional special investigation by some home office representative and an occasional request for a report from one of a number of credit bureaus.

About the turn of the century, insurance companies began to expand and to do business in territories where they were not well acquainted with conditions or mode of living. The inspection business grew tremendously and began to serve fire and casualty companies until today this business represents a large part of their volume.

## Auto Reports in 1910

Casualty companies began using automobile reports about 1910, but prohibition and the running of liquor by bootleggers really brought the inspection agencies into the automobile reporting picture in a big way and today that service is a substantial portion of insurance reporting.

Fire reports were a comparatively small volume within the inspection agencies as late as 1929, Mr. Sanford said. However, the depression seemed to ignite fires and the inspection agencies became firmly established with fire companies during that period. In a similar manner, reporting of burglary, bond,

# SERVICE in unusual ways



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public liability and inland marine risks became commonplace.

Mr. Sanford said that women are taking an increasingly important part in insurance and that they have earned the right to be rated an important factor in the business.

## Some Real Estate Men Turn to Insurance Sales

It is a good time for special agents to encourage real estate men to give more attention to the insurance business. Some of them may possibly switch over during the present period of uncertainty to full time agents.

The real estate man is having difficulty nowadays getting mortgages large enough to complete sales. One real estate man reported recently that he had deposits on 14 sales and could not complete nine of them because he was unable to get a mortgage large enough. The buyer could not make the required down payment and complete the deal. In his case over a period of a month he was unable to complete 2/3 of his sales for this reason.

### Big Money Gone

Consequently, he concluded that he would quit wasting his time in the real estate business and go to work selling insurance. In that field there is no bar of any kind to a sale when it has been made. The difficulty nowadays is finding something in the way of real estate to sell. It also is true that a considerable share of the big ready money that could be paid for vastly inflated real estate has now been spent for that purpose. The situation is shaking down. Many now looking for a place to live are unable to raise the required cash. The inflation spiral has taken another turn or two and much of the property is outlandishly priced.

It is also true that it doesn't take any time nowadays to make sales of real estate when it can be secured to put on the market. Consequently the real estate man has some time to devote to the sale of insurance. It is recalled that during the depression insurance kept many real estate people going.

## WANT ADS

### WANTED

Pacific Coast Home Office requires fully qualified casualty statistician. Thorough knowledge of IBM alphabetical equipment necessary. Must be presently employed in capacity of statistician and IBM supervisor of a casualty company. In reply please state entire background and salary desired. NATIONAL AUTOMOBILE & CASUALTY INSURANCE CO., 724 So. Spring Street, Los Angeles 14, California.

### WANTED

Compensation and Liability underwriter. Splendid opportunity for experienced underwriter in home office of large Chicago Casualty company. Address H-97, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### BOND UNDERWRITER

Veteran returning after three years active duty, seeks to reenter surety field in Chicago. Four years experience in judicial, fidelity, contract and license bond underwriting, plus two years surety claims. B.A. and LL.B. degrees. Address 1-4, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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Phoenix, Arizona

## Auto Business Shows a Few Signs of Improvement

There are a few signs that the automobile business is improving. The experience of at least one or two companies for the year so far indicates a leveling off of bodily injury losses, and property damage costs are a shade better than they have been.

These signs are not plentiful enough to show that the rise in loss ratios has reached its peak for the business as a whole, but they do seem to point to a break in the clouds that have made the business a pretty gloomy one for the past year.

It was last October that the companies began to get the first increase in automobile liability and property damage rates. Consequently, the companies have almost reached the point where they will begin to feel the full benefit of the rate increases that have been put into effect in the past 12 months. The last of the business written at low wartime rates is going off the books and being replaced at the higher level.

### Accident Record Better

Some improvement has been shown in the record of traffic accident fatalities and injuries. The frequency still is less than in 1941. The rise in accidents as compared with 1945 seems to have reached its top.

However, claim cost in the property damage field is still way up compared with 1941. Underwriters admit that property damage costs should eventually improve. However, parts and labor can't be expected to go down, at least for a couple of years, but the trade should be better able to get parts. This will shorten the time it takes to settle claims, and will at least reduce "use" losses.

Companies are paying quite a number of loss of use claims. Insured must be

## "Blacklist" Suspension May Open Up Some New Fields

WASHINGTON—United States and British firms will be able to do business with certain foreign insurance companies and insurance offices, under Treasury Department license, it is expected, as a result of agreement reported between the American and British governments to discontinue their "blacklists" of foreign concerns charged with collaborating with axis government during the war. Under this agreement, it is understood, while the blacklists will not operate to prohibit Allied firms from doing business with concerns on these lists, the former will have to obtain government license to do so—in the case of American firms, from the Treasury Department. Even this restriction, however, will be withdrawn before long, according to report.

Nearly 6,000 foreign concerns are on each of the blacklists, many of them in European neutral countries and Latin America. Discontinuance of the lists will affect principally, outside of Latin America, firms in Switzerland, Sweden, Portugal, Spain and Turkey, and American and British concerns desirous of doing business with them.

While the British have been eager to abolish the blacklists in order to facilitate restoration of their foreign trade, the United States has been insistent upon maintaining the blacklists in order to throw advantages toward foreign firms that worked with the Allies during the war and also to use the list as a bargaining agent in negotiating with neutral countries for liquidation of Axis assets in those countries.

An agreement was recently concluded with the Swiss government toward that end and negotiations have been reported in progress here with a representative of Sweden. Negotiations are in prospect with other neutral governments looking toward the same end.

able to show that a loss is sustained. For example, if an insured drives three or four miles to the station night and morning to get to and from work and he has to hire a taxi or some other means of transportation while his car is laid up, or if he uses his automobile in business, he could show loss of use.

In the belief that automobile business should improve within a few months, some companies are trying to accommodate as much new business as possible, if it is good or can reasonably be expected to be good under more normal circumstances. These companies are convinced that now is the time to take on automobile business and win new customers who are likely to stay with them when automobile insurance again becomes profitable. If they wait until the business is out of the woods, it will be more difficult to add volume. They take a position opposite to the mutual automobile specialty company that not long ago indicated it would get out of the automobile business because it is so unprofitable and specialize in workmen's compensation.

Provision by the auto insurer of certain services in connection with criminal charges which are not encompassed in the policy is not increasing but is still bothersome. Insured have asked companies to provide a lawyer and pay the fine for some traffic violation or even for manslaughter. The companies under certain circumstances are doing this. This they may do in order to save a good line. Either the risk is a big one, or the broker or agent on it is a big producer for the company. Or, they do it because other companies are doing it.

It is not regarded as a good practice even by companies that are doing it, even though they have a "contingent interest" and might advantageously provide the attorney. They occasionally have investigators sit in preparation for the expected civil suit. But the companies do not want to stir up the criticism of lawyers. Attorneys in practice in a locality object strenuously to this invasion of their own bailiwick.

### Saskatchewan Statistics Given

First statistics released by Saskatchewan province insurance office show total fire premiums of more than \$250,000, automobile premiums (apart from auto accident plan) \$70,000, and income from other lines over \$30,000. Total premiums are over \$350,000. The office has been in operation nearly a year and a half. It was opened because the CCF-Socialist regime, which aims to nationalize all insurance, reacted violently against large sums of money pouring into companies domiciled in Ontario and Quebec.

## Champions Five Year Plan

An open letter championing the North America's installment payment plan of term policies has been sent to the Virginia Assn. of Insurance Agents by Oliver Joe Bailey of the McNutt-Heasley-Bailey agency, Orlando, Fla. The Virginia association had expressed opposition to the North America move.

Mr. Bailey said that he has pioneered the use of the premium installment payment plan in central Florida of General of Seattle and other independent companies for the past 10 years. He contends that the independent progressive fire and casualty stock companies for the past 20 years have set the pace in the development of broader coverages, reduction in costs and premium installment plans. He said he has been much interested in the progressive moves that have been taken by North America.

He argued that the installment premium plan does not discriminate because under this plan there is an interest charge, and the total outlay of the policyholder is more than under a three or five year policy with premium paid in advance.

In view of the low interest yield of today, he argued that the North America plan is actuarially sound.

### More Business Secured

By converting most of the insurance to the five year annual renewal plan basis, the acquisition cost has not materially increased. The peak in premium years is eliminated and getting the business on an annual basis facilitates handling general rate reductions. It has increased the premium volume and good will. It gives the agent an opportunity to get in touch with his clients each year and to readjust insurance to values currently.

Any increase in cost of doing business has been offset by the additional business that has been secured from clients through annual contact.

The five year plan, he said, has enabled the agency to put payment of premiums on as nearly a cash basis as possible and that means more time for production and less time on collections.

The plan is acceptable to most owners of tenement property. It enables the owner to finance the insurance premium from income and eliminates the necessity of premium financing. Assured usually purchase a larger amount of insurance to value under the annual payment plan than under three and five year policies paid in advance.

Mr. Bailey charged that it has been the tendency of southern agents blindly to follow the old way of doing things, and fear to accept changes that benefit the policyholders weakens the agent's property right under the agency system, he declared.

Leaders in the field use the **Poller Analysis Service**. Write the Accident and Health Bulletins, 420 E. 4th St., Cincinnati 2, O.

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## Set Wa Near \$

The loss at Storage division Co., National high as \$1 1/2 Illinois Inspe two losses, c of Oct. 2 evening.

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## O. A. Or Adjusting

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Mr. Ortell claims expe years as cl prior to loca erated his c company at hart, Ind.

## Appleton

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# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Set Warehouse Loss Near \$1.5 Million

The loss at the North American Cold Storage division of City Ice & Fuel Co., National City, Ill., may run as high as \$1½ million, according to the Illinois Inspection Bureau. There were two losses, one starting the afternoon of Oct. 2 and the other the next evening.

More than 300 concerns were storing commodities in the warehouses and adjacencies, according to the inspection bureau, estimate the loss to contents may reach \$700,000 and the overall loss may be about \$1½ million.

The inspection bureau quotes Chief Wright of the East St. Louis fire department as voicing the opinion that the first fire generated enough radiated heat through the fire wall to cause spontaneous combustion in a pile of sacked alfalfa meal stored against the wall, and that the fire existed in a smoldering state until it was discovered the next evening.

The large undivided areas of buildings, wood floors and roofs, unprotected floor openings and non-standard fire-door cut-offs were all contributing factors in the rapid spread of the fire and the heavy loss, according to the inspection bureau. The lack of standard watchman service in a plant of this size was a notable deficiency.

### More Ohio Local Boards to Be May's Objective

CINCINNATI—"Local boards and more of them" is to be the theme of the administration of Gustav May of Cincinnati, recently elected president of the Ohio Assn. of Insurance Agents.

"Ohio local boards," said Mr. May, "now serving 38 cities and counties through active resident agents' associations, have distinguished records of service, Cleveland and Cincinnati for more than a century, Toledo for 80 years and many more for more than a quarter of a century."

Mr. May has called on Ohio agents in cities where there are no local boards to undertake the organization of boards at once.

### O. A. Ortell Forms Own Adjusting Firm at Omaha

O. A. Ortell, adjuster the past four years for the Crocker Claims Service, Omaha, has organized an independent adjusting company known as Ortell Claims Service, Brandeis Theatre building, Omaha, to investigate and adjust all types of claims for companies in Omaha, Nebraska and Iowa.

Mr. Ortell has had more than 30 years claims experience. He served eight years as claims attorney for Emmco, prior to locating at Omaha. He also operated his own independent adjusting company at Chicago and also at Elkhart, Ind.

### Appleton Quits State Fund

APPLETON, WIS.—Fire insurance carried with the Wisconsin state fund by the city of Appleton on buildings and contents, expiring currently, is being placed with local agents and private companies through the Appleton Insurance Board. The city council approved a schedule recommended by its insurance committee following an appraisal conducted by the committee with the assistance of board members and an appraisal engineer. Present

policies cover city buildings and contents appraised at \$132,300, on which the three-year premiums total \$1,270.

The action reverses a five-year precedent of state fire fund coverage and is a victory for the local agents. Emil Walther and Joseph Koffend, Jr., represented the local board at the meeting with the council insurance committee and appraisal engineer. No action has been taken on state fund policies expiring later but the state fund has an "all or none" policy, requiring that all insurance of a governmental unit must be placed in the fund or the latter will not accept any of it.

### Lincoln Assn. "Ads"

The Lincoln (Neb.) Assn. of Insurance Agents is running advertisements in Lincoln newspapers entitled "Your Insurance Policy Is as Good as the Company Behind It." The "ads" also state that the organization strives to promote policyholder welfare and to enforce observance of all insurance laws and regulations.

The agents have adopted a distinctive insignia to identify all members, and the "ad" states "you can buy with complete confidence in any insurance agency that displays this emblem of approval."

### Enck with Duluth Agency

Paul Enck has been elected vice-president and director of Dunning & Dunning agency, Duluth. He was formerly partner of the late Thomas G. Linnell in the Enck & Linnell general agency of Minneapolis.

### May Name Kan. Secretary

Raymond L. Budge, chairman of the executive committee and immediate past president of the Kansas Assn. of Insurance Agents, has called a meeting of the executive committee Oct. 26-27 at Topeka to adopt plans and approve committees for the new year, and possibly name a full-time secretary.

### Set Fourth District Meet

The fourth district of the Ohio Assn. of Insurance Agents will hold a meeting in Dayton Nov. 6. Charles R. Goldswig, president of the Dayton Fire & Casualty Underwriters, is secretary of the 4th district organization.

### Folsom in 23rd Term

Seward G. Folsom, Lima, O., has started his 23rd term as secretary of the Lima-Alen County Insurance Assn. Ray R. Schryer is president and Leroy Baker, vice-president.

### Richardt Reviews Convention

EVANSVILLE, IND.—Fred C. Richardt, president Evansville Assn. of Insurance Agents, reviewed the N.A.A.I.A. meeting at Denver.

The local board will have two meetings a month from now on. The next meeting will be Oct. 28.

### Milwaukee Bank Entertains

The Marshall & Ilsley Bank was host at a luncheon and smoker Saturday to insurance company field men at Milwaukee. This bank has been very active in insurance premium financing.

### O.K.s Insurance-Ready Hookup

NEENAH, WIS.—Real estate and insurance are compatible and the office of the real estate broker is adapted to the insurance agent, Urban Krier, executive secretary Wisconsin Assn. of

Insurance Agents, said in discussing "Real Estate and Insurance, a Compatible Relationship," at the annual convention here of the Wisconsin Real Estate Brokers Assn.

Many outstanding insurance agents today are also real estate brokers, Mr. Krier said, but warned the real estate man planning to enter the insurance agency business that he should not attempt to do so unless he is willing to do the necessary groundwork to qualify himself so that he can efficiently and properly serve the public.

### New President of Home Mutual

DES MOINES—H. J. Rowe, 78, has retired as president of Home Mutual of Iowa and became chairman. He is succeeded as president by his son-in-law, L. G. Thomas, who has been vice-president.

Mr. Rowe organized the company in 1901 and served first as secretary and then president, being in charge for 45 years. Mr. Thomas has been with the company 14 years and vice-president since 1938.

### NEWS BRIEFS

The Hutchinson (Kan.) Assn. of Insurance Agents entertained the winners in fire prevention speaking contests conducted in the junior and senior high schools and junior college at the October luncheon meeting.

## PACIFIC COAST AND MOUNTAIN

### Cal. Department Man to Harbor of San Diego

LOS ANGELES—John P. Devaney, senior investigator in the Los Angeles office of the California department, has resigned to become assistant to W. K. Henderson, executive vice-president of Harbor Insurance Co., San Diego. Later he will become claims surveyor for the company.

Mr. Devaney is a native of Minnesota and a graduate of the University of Minnesota law school. He came to Los Angeles in 1937 with Universal Credit Co. and joined the insurance department in 1939. He participated in the investigation of financial transactions of dealers in connection with the sale of cars and the handling of insurance on the sales and helped frame the regulations still in effect.

### Navy Veteran

Mr. Devaney entered the navy in 1942 and returned to the department last December. He has been handling all automobile claim complaints and assisting in preparing for trial of license hearings.

### Program for New Mexico Agents' Rally Is Finished

The program for the annual meeting of the New Mexico Assn. of Insurance Agents, Nov. 8-9 at the Hilton hotel, Albuquerque, has been completed. E. C. Stone, U. S. manager of Employers Liability, will speak on rate regulatory laws. Other speakers will be A. Botts, Albuquerque attorney, on "Application of Wage and Hour Law to Insurance Agencies;" Frederick Ball, insurance buyer for Gross-Kelly Co., on "What the Insurance Buying Public Expects from Agents;" Commissioner Ralph Apodaca, who will report on the new insurance code for the state, and State National Director Postelle Cooper, Deming, who will speak on the "Denver Convention."

Paul Rubincam, Albuquerque, will be

The hail department of the Fireman's Fund group for Kansas, established at Wichita last year, has been moved to Topeka with temporary quarters at 625 New England building until permanent offices are available.

Ralph E. Lightner, Sr., Wichita local agent, has been named a trustee of Phillips University, Enid, Okla. He is co-chairman of the Wichita Community Chest campaign.

Arnold W. Cook, local agent, has been elected president of the Creston (Ia.) Chamber of Commerce.

The Sioux City Insurance Women's Assn. heard Fire Chief Kuhl speak on fire prevention at the October meeting.

The October dinner meeting of the Minneapolis Insurance Women's Assn. was addressed by Mike Dillon, Hennepin county attorney.

E. B. Fergus, Kansas Inspection Bureau, Wichita, addressed the Hutchinson Assn. of Insurance Women at a dinner meeting Oct. 23.

The Wichita Assn. of Insurance Women heard reports on the convention of the Kansas Assn. of Insurance Agents in Wichita at the October dinner meeting. Reports also were heard of the Denver N.A.I.A. convention.

George D. Richardson, local agent at Broadhead, Wis., for 25 years, has formed a partnership with S. R. Fosshage as Fosshage & Richardson. They have acquired the Searles agency.

Mr. and Mrs. Paul R. Schiller have taken over the agency of the late Clarence McCarthy at Detroit Lakes, Minn. Mrs. Schiller is a daughter of Mr. McCarthy.

toastmaster at the banquet the second night. L. E. Freudenthal is president.

### Start L. A. Auto Course

LOS ANGELES—The automobile course of the Insurance Assn. of Los Angeles opened with capacity attendance. Attorney John Bolton gave the legal aspects of automotive coverage. Frank Friday of the adjusting firm of Friday & McKay spoke on loss procedure. Paul Sweeney, Lewis Foster, Robert Masterson, William Roskam, Kenneth Belknap and Rees Roston, are the agent instructors. Harry Hallam, New Amsterdam Casualty; H. L. Severson, American Surety; Lou W. Mahood, Fireman's Fund, and Harvey French, Glens Falls, will handle the more technical phases of the course.

### Farley Lloyds Manager

SAN FRANCISCO—S. Robert Farley has been named manager of the Lloyds department of the Rathbone, King & Seely general agency here, succeeding Phillip Antrobus, who resigned to go to England. Mr. Farley, recently discharged from service, was formerly with Lloyds brokers and other insurance interests in London. Before joining the army he was in charge of the Lloyds department of Swett & Crawford in San Francisco.

### Montana '45 Loss Over Million

HELENA, MONT.—Arthur R. Meyer, member of the state's attorney general's office, told Helena Lions that fire losses mounted to nearly \$1 million in Montana in 1945, \$513,000 of which was on buildings and the remainder on contents.

"Buildings are getting older and we do not have adequate materials for repairs," he said. "This makes the fire situation much worse."

### Longview, Wash., in Class 4

Longview, Wash., has attained a class 4 National Board grading, retroactive to April 1, 1946. It was in class 6. It becomes the sixth Washington city to

earn a class 4 grading, joining Tacoma, Wenatchee, Bellingham, Yakima and Aberdeen.

### N. W. Mutual Starts School

Northwestern Mutual Fire has started a home office school of insurance, with specially selected men from all parts of the United States and Canada as students.

The school is under the direction of Ainsworth Blogg, recently lieutenant colonel in charge of all personnel in training areas for the office of strategic services, assisted by 25 home office men.

### NEWS BRIEFS

Lee White, who has been with London & Lancashire as special agent for

several years, has purchased the Albion agency at Ukiah, Cal.

D. G. Mulligan of the Mountain States Inspection Bureau spoke on "Fire Prevention" at the October meeting of the Insurance Women of Denver. A. Dorothy Palm, president, was in charge.

The Insurance Women's Club of Seattle will hold its annual "bosses' night" dinner Nov. 26.

Dale Gerdeman, recently released from service, has rejoined Cantwell Agency, Albuquerque, N. M.

The Insurance Women of Pueblo celebrated their fifth birthday at a dinner. Guests from Colorado Springs included Elsie Uthoff, president, and Anna G. Daly, past president.

Myron W. Davenport, North America, addressed the dinner meeting of the South Bend-Mishawaka Assn. of Insurance Agents at Mishawaka on the personal property floater.

dents, but an additional class will be held starting Nov. 5 if the enrollment requires it.

### NEWS BRIEFS

The hotel strike caused cancellation of the Women's Insurance Club of Washington luncheon meeting at which A. L. Kirkpatrick, U. S. Chamber of Commerce insurance department manager, was to have been the speaker.

Insurance Women of New Jersey will conduct an evening insurance law course Oct. 31 in Newark, with Harold Feuerstein, attorney, as instructor. The association held a dinner meeting with John C. Conklin, Hackensack, discussing public law 15.

Melville B. Horter, insurance adjuster, Camden, N. J., has moved to offices at 220 North 5th street.

dent, T. C. Massey; secretary, J. H. Sinclair.

### Home's Canadian Shifts

John T. Coleman, formerly of the Ontario branch office, has been named assistant manager for Manitoba at Home. William G. Partridge has been appointed assistant manager in Ontario.

### Ind. Department Arranges New Scholarship Course

Commissioner Pearson of Indiana announces that a combination study and employment course scholarship in fire and casualty insurance has been arranged with Butler University of Indianapolis. The department has cooperated with Prof. Robert Mehr, head of the insurance department of the university, in working out the details of this scholarship. The plan is adaptable for junior and senior students who are majoring in property insurance. It calls for 28 weeks part-time employment in bureaus and offices dealing with various aspects of the fire and casualty business.

### Name First Scholar

The first scholarship student is Lamar H. Layfield, a senior and returned veteran. He will work half days in the insurance department for four weeks and then half days for four weeks in these offices: American States for home office training; Foster & Messick, U. S. F. & G. branch manager, for branch office training; the workmen's compensation bureau, Indiana Inspection Bureau, Indiana Audit Bureau and then a final four weeks in some local agency to be named later.

### Northern Wins Wind Case

WASHINGTON—The U. S. Supreme Court Monday denied writs of certiorari for review of lower court decisions in Nos. 439, Wooten Hotel Corp. vs. Northern Assurance, involving windstorm and high water, and 438, Todd Shipyards Corp. vs. DeGraw, involving application of state workmen's compensation law and/or longshoremen's and harborworkers' act.

## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 S. La Salle St., Chicago, Oct. 21, 1946

	Div.	Bid	Asked
Aetna Casualty	3.00	80	82
Aetna Fire	1.80	48	50
Aetna Life	1.60	48	50
American Alliance	1.00	19	20 1/2
American Auto	.80	30	32
American Casualty	.60	10 1/2	11 1/2
American Equitable	1.00	16	17 1/2
American (N. J.)	.70	17	18
American Surety	2.50	54 1/2	56 1/2
Baltimore American	.30	5 1/2	6 1/2
Boston	2.10	63	67
Camden Fire	1.00	21 1/2	22 1/2
Continental Casualty	2.00	43 1/2	45
Fire Association	2.50	65	67
Firemen's (N. J.)	.50	12	13
Fireman's Fund	3.00	91 1/2	93 1/2
Franklin Fire	1.00	21	22
Glens Falls	1.85	49	51
Globe & Republic	.50	9	10
Great Amer. Fire	1.20	27 1/2	28 1/2
Hanover Fire	1.20	26	27 1/2
Hartford Fire	2.50	95	97
Home (N. Y.)	1.20	25 1/2	27
Ins. Co. of N. A.	3.00	88	90
Maryland Casualty	.11	12	13
Mass. Bonding	4.00	85 1/2	87 1/2
National Casualty	1.25	24	25
National Fire	2.00	50	52 1/2
National Lib.	.30	5 1/2	6 1/2
National N. Fire	5.00	138	148
New Amsterdam Cas.	1.00	26 1/2	28 1/2
New Hampshire	1.00	50	52
North River	1.00	21 1/2	23
Ohio Casualty	.80	35	37
Phoenix, Conn.	2.00	76 1/2	79
Preferred Accident	.80	12 1/2	13 1/2
Prov. Wash.	1.40	33 1/2	35 1/2
St. Paul F. & M.	2.00	67	70
Security, Conn.	1.40	30	32
Springfield F. & M.	4.75	105	108
Standard Accident	1.45	30	32
Travelers	18.00	600	610
U. S. F. & G.	2.00	43	45
U. S. Fire	2.00	47 1/2	50

\*Includes extras.

## EASTERN STATES ACTIVITIES

### Weidner Heads Pittsburgh Club

PITTSBURGH—Norbert H. Weidner, manager of the home office agency of Reliance Life, was elected president of the Insurance Club of Pittsburgh at the annual meeting. He has been associated with Reliance Life since 1929.

Mr. Weidner has served the club for three terms as a director, and as the general chairman of the 1946 Pittsburgh Insurance Day. He is a past president of the Pittsburgh Life Underwriters Assn. and is now vice-president of the Pennsylvania State Assn. of Life Underwriters, and is associate chairman of Allegheny county in the Community Fund campaign.

The new vice-presidents are George F. Avery, assistant manager of U.S.F. & G., and E. W. Murphy, agent. David H. Blayney, secretary of Clarence V. Watkins & Co. was reelected treasurer. Also reelected as secretary was William J. Schofield, Jr., field representative of Eureka Casualty.

Elected as directors were: Arthur C. Buchman, Home; Horace T. Cator, Fidelity & Deposit; Dewey Clark, Frank T. Lauinger Co.; J. C. Donaldson, Hartford Fire; James H. Foster, Royal-Liverpool; John B. Ladley, W. L. Ladley Sons; Harold V. Lundy, Ocean Accident; E. D. Sweet, Massachusetts Bonding; Paul J. Trimbura, L. A. Burnett Co.

The three immediate past presidents automatically become members of the board. They are the retiring president, Val E. Schott, Aetna Casualty; Paul M. Simmerman, National Union Fire, and E. A. Logue, Globe & Rutgers.

The new officers and directors were installed by Ralph H. Alexander, deputy insurance commissioner.

Mayor David L. Lawrence who is also a member of the club was present and briefly addressed the members.

### Potter Heads Ins. Society

Samuel Potter of Booth, Potter, Seal & Co. has been elected president of the Insurance Society of Philadelphia; Dodd Bryan, Indemnity of North America, and K. B. Hatch, vice-presidents; H. W. Newnam, Jr., secretary; and G. T. Rowland, treasurer. Elected to three-year executive committee terms were: A. H. Criddle, J. P. Flaherty, E. L. Macht, G. J. Margraff, J. W. O'Brien and J. C. Webb.

### Announce Boston Library Slate

BOSTON—The nominating committee of the Insurance Library Assn. of Boston has proposed for trustees for three-year terms, Walter C. Small, Field & Cowles; Ralph G. Hinkley, American; Gayle T. Forbush, retired U. S. manager of Royal Exchange; Gorham Dana, Herbert A. Kneeland of John C. Paige & Co. and Fred H. Morasch, vice-president of Fireman's Fund. The annual meeting will be held Oct. 25.

### Sen. Bridges on N. H. Program

The program has been completed for the annual meeting of the New Hampshire Assn. of Insurance Agents, Oct. 31 at the Carpenter hotel, Manchester. In the morning there will be meetings of the New Hampshire Insurance Women's League and Mountain Field Club, and the women's organization will have a luncheon session.

The agents' gathering will start off with a business meeting including election of officers and then there will be addresses by Russell H. Britton, president Rochester Trust Co., Rochester, N. H., on "The Bank and Agent Auto Plan from the Bankers Point of View"; Oscar H. West, Washington representative of N.A.I.A. on "Your Washington Office" and Insurance Commissioner Knowlton on the legislative program and public law 15. At the banquet the principal speaker will be Senator Bridges of New Hampshire on "Outstanding National Issues." Greetings will be extended by Governor Dale, Mayor Benoit and Commissioner Knowlton.

### Boston "Town Meeting" Speakers Are Announced

BOSTON—Speakers for Boston's "Insurance Town Meeting" to be held at the Boston City Club Oct. 31 under the auspices of the Boston Board of Fire Underwriters, for the purpose of throwing light on the all-industry rating bills, have been announced by President Franklin J. Connors.

Producers will be represented by Arthur D. Cronin of Kaler, Carney, Liffier & Co. and Charles C. Hewitt of Boit, Dalton & Church.

The companies will be represented by President Donald C. Bowersock of Boston and Old Colony and E. C. Stone, United States general manager of the Employers group.

C. S. Rosensweig, editor of the "Insurance Advocate" of New York and E. W. Sawyer, executive director of the National Assn. of Insurance Brokers and counsel of the National Assn. of Casualty & Surety Agents, will complete the list of speakers, all of whom will answer questions from the floor.

Producers throughout the state are invited to attend.

### Boston Course Starts Nov. 5

"Allied Fire Lines" will be the topic of a discussion course of the Insurance Library Assn. of Boston starting Nov. 4. The Monday courses will meet at 10 a. m. for five weeks.

The course will be a continuation of the discussion series on the Massachusetts standard fire policy conducted early this year.

Course leaders will be Arthur H. Clarke, Springfield F. & M.; A. H. Stafford, North British; T. W. Keany, American, and H. P. Forbes, North America.

There will be a limitation of 25 stu-

## SOUTH

### Elect Ford President of Richmond Ins. Exchange

RICHMOND—H. Linwood Ford has been elected president of the Insurance Exchange of Richmond. John E. Woodward was elected vice-president and Mrs. Esther J. Arledge, secretary. New directors are T. L. Cockrell, H. G. Coghill, Kenneth Mallory, and J. A. Paul. Retiring president is J. Davis Ewell.

In his report Mr. Ewell said that under an agreement reached between city officials and a joint committee of stock, mutual and non-affiliated stock agents, the committee will handle surety bonds and all insurance of the city with the exception of school insurance and the automobile fleet. Warren P. Curtis heads the committee.

Mr. Ewell recommended that a business manager be appointed on a part-time basis.

### La. Mutual Agents Elect

William B. Coleman, Lake Charles, was elected president of the Louisiana Mutual Agents Assn. at the annual meeting. Charles Foster is first vice-president; A. B. Nicholas, second vice-president, and Paul Leaman, secretary-treasurer.

### NEWS BRIEFS

Fred W. Sinclair has been named chairman of the Sinclair Agency, New Orleans, his son, Fred, Jr., becoming president.

T. A. Dickson of Stillwater, Okla., has sold a half interest in the Pioneer Insurance Agency there to Lee R. Wade.

The J. S. Watters agency, New Orleans, has been changed to Watters-Richardson Agency. F. B. Richardson, Jr., has joined Mr. Watters in the agency.

At the October meeting of the Insurance Women of New Orleans, James Drury, New Orleans attorney, spoke on the court systems of New Orleans. The women cooperated with the New Orleans Insurance Exchange in a successful Fire Prevention Week campaign.

## CANADIAN

### Trusler Canadian Manager of Commercial Union

C. D. Trusler has been appointed manager for Canada of the Commercial Union group. He has been in Canada just a year, having been appointed deputy manager at that time. G. L. Butcher has been appointed assistant manager for Canada. He has been superintendent of agencies and L. J. Field, formerly casualty superintendent, becomes casualty manager for Canada. E. E. DesLauriers is appointed agency superintendent for Quebec.

### Manitoba Adjusters Organize

The Manitoba Casualty Insurance Adjusters Assn. has been organized. President is S. L. Sterling; vice-presi-

overall amount or even more of rate reduction alert agents a

advantage of r more insuranc money in or better protect income level.

The story, had been redu the customer erage for the Many adv cause either t or the mediu the job. Th fact that few the time to le properly. M are to blame, on producing and have not agents and b terial.

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Mr. Hurd ing adverti from an off ing. The r from page reader to positions in typography paper. Copy sh simple und point out a fills the ne to do to go ter or fold failed to e Folders some othe the monoto be discard ing paragr italics and a change and marke graphs or devices.

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XUM



## Indiana "Ad" Forum Makes Big Hit

(CONTINUED FROM PAGE 23)

overall amount paid was about the same or even more than in the past in spite of rate reductions. The reason is that alert agents and brokers have taken advantage of reductions to sell a customer more insurance for the same amount of money in order to give the policyholder better protection and to maintain their income level."

The story, then, was not that rates had been reduced, but that over the years the customer had received broader coverage for the same amount of money.

Many advertising programs fail because either the material is uninteresting or the medium is not the right one for the job. These faults result from the fact that few agents and brokers take the time to learn how to use advertising properly. Many insurance companies are to blame, for they have concentrated on producing sales promotion material and have not spent enough time showing agents and brokers how to use their material.

### Things Agents Can Do

Mr. Hurd then listed several things the agent can do himself to make advertising efficient and effective:

(1) Arrange a connection with a good typesetter, a printer and an artist. The typesetter and artist will be able to offer suggestions on layout and arrangement. The printer will be able to save money in many ways by planning the production of the job most economically.

(2) Know the editor of a newspaper and the manager of a local radio station. They can help produce worthwhile publicity when the agent has a newsworthy item about himself or his business.

(3) Learn how to judge the quality and effectiveness of advertising material.

(4) Acquire a general knowledge of the fundamentals of billboards, radio, newspapers and direct mail.

(5) Use the services of a professional advertising man to do extensive advertising. He is well trained to take ideas and present them in a way that will invite the interest and attention of prospects.

### Surplus Supplies Clutter Shelves

Agents receive a vast amount of miscellaneous sales promotion material from their companies. In spite of the fact that much time is given to its preparation, it may not be of use. Surplus supplies of this material clutter up shelves and should not be kept, he said. A few samples may be filed for spot use. Too many folders in an office create a poor effect.

Mr. Hurd gave some pointers on judging advertising matter. Anything sent from an office should be attractive looking. The message should flow logically from page to page. Don't force the reader to twist the folder in a dozen positions in order to read it. Check the typography, art work and quality of paper.

Copy should always be written in a simple understandable style and should point out a need, show how the product fills the need, and what the prospect has to do to get it. Many an interesting letter or folder has fallen down because it failed to end with a request for action.

Folders that lack color, illustrations or some other layout device to break up the monotony of solid type matter should be discarded. Use of subheads, alternating paragraphs of bold and regular, or italics and regular type give the page a change of pace. Paragraph captions and marked underlines for certain paragraphs or sentences are good attention devices.

In making up mailing lists Mr. Hurd recommended that the agent be sure the names and address are accurate; the list up-to-date and those on the list actually are prospects, need, and able to pay for the coverage he is trying to sell.

"The list which fits these conditions best is one made up of present customers," he said.

About 50% of all mailings use black ink on white paper, he said. Colored envelopes and stationery or colored inks on white or tinted paper stock will make mail stand out from the rest.

### Suggestions on Direct Mail

Other suggestions in direct mailing given by Mr. Hurd were:

A letter is better than a government postcard.

A letter alone is better than a folder alone.

When a mailing is enclosed in an envelope it has better pulling power than material which is printed in self-mailer form.

Best combination is a letter to sell the advantages of the coverage, a folder to enlarge on the benefits and to cover the technical aspects, and a return card or reply envelope.

If the material is to be kept by the prospect for reference, try to make it the standard 8½x11 size, as tests show that this is the size most acceptable for filing.

Always try to tie advertising together whenever possible, he urged. In using radio, send out a card to customers or run a short "ad" in the newspapers telling when the program is on the air. If billboards, have blotters made up using a miniature replica of the billboard on them. If newspapers, have additional copies printed and send them out to the people on the mailing list. These things increase the efficiency of advertising because they help direct a message to the people the agent wants to reach.

### RADIO ADVERTISING

Persistency is just as important in radio, Joseph Higgins, radio station WIMC, Indianapolis, declared. Mr. Higgins pointed out that the average radio is on for five hours a day, and there is a potential audience at noon and in the evening of 450,000.

The advertiser should decide upon what audience he wants to reach, what his message will be, and how much he will spend to put it across.

Surveys show that different income and business groups listen to the radio at different times of day. Thus an agent wishing to reach a farm audience would have an early morning program, a life insurance advertiser an evening program.

Then the advertiser must decide whether to take spot commercials or a short program. For about \$30 a week on a smaller station, an agent could get either a once-a-week 15-minute program or six 30-second announcements. Mr. Higgins recommended the 15-minute program for an agent wanting to explain several policies, or the angles on a single policy. An agent giving a brief description of a single policy could take six broadcasts.

The first three months of radio advertising should be counted as an investment. Audience must be built up, and time enough given to get a reaction. Then, he declared, there will be favorable results.

### Newspaper Advertising Pointers

Joseph F. Breeze, advertising director Indianapolis "News," discussed correct use of newspaper advertising. He emphasized the importance of newspapers in every-day life. Noting that newspaper circulation in the United States is 51 million daily. People look to newspapers for news, interpretation of news, local events and entertainment. Advertising is news, he said. It supplies information and is of current interest.

To advertise effectively in a newspaper, the advertiser must be consistent, Mr. Breeze declared. There must be no lapses or a policy of "hit and miss," placing an "ad" only to announce a certain change. The hit and miss system is characteristic of most local agency advertising today.

The "ad" need not be large if it is

repeated from three to seven times a week. A two or three-inch "ad" is enough. It should give the agent's name, location and business. This regular use builds up a subconscious respect in the reader. It reaches a whole family and makes the agent a familiar person.

Much can be done with a small "ad" if it is correctly placed, he stated. It should be in the right section of the paper. For example, "ads" covering fire policies should be in the business or financial section. A general "ad" could go on the sports pages, and P.F.F. "ads" might best be used in the fashion or society section.

### USING BILLBOARDS

H. H. Lindsmith of General Outdoor Advertising Corp. explained how billboards could be profitably used. He showed an illuminated map of Indianapolis and then showed overlays giving locations of the churches, gas stations, schools, parks, chief intersections, main traffic arteries, liquor outlets, beauty parlors, drug stores, groceries and restaurants of the city.

All of these tend to take people out of their homes, he pointed out, and well placed outdoor advertising will serve to keep a name always before them.

He mentioned that often people believe there are more chain drug stores in a

city than independent, when actually they make up less than a quarter of the total. This is because chain stores pick strategic locations and emphasize uniformity. Their stores all have the same size front, the employees wear the same uniforms, etc. Billboard advertising in the same manner can achieve this if a single message is repeated in several points in a city.

## Retain Kidd in Ind. Presidency

(CONTINUED FROM PAGE 24)

woman shows exceptional sales ability, she should be given a chance to prove herself by selling.

Knocks at the National Assn. of Insurance Women are unjustified, she declared. The argument that the associations will lead to unions is unfounded, she said, because the by-laws drop from the association any club that is unionized.

Also when the associations are criticized for talking predominantly about salary, it might also be argued that commissions constitute a great discussion factor at most agents' conventions.

Final speaker was V. E. Vining, sales consultant of Westinghouse Electric Corp., who gave an inspirational talk on "How to Get Stinkin' Rich."

## Favorable and Unfavorable Factors in Aircraft Cover

Insurance valuation for obsolete planes is currently one of the most troubling problems in that field, according to W. H. Rodda, secretary of the Mutual Aircraft Conference. War surplus aircraft are being sold at prices as low as 10% of the original cost. The purchaser of the plane needs insurance to protect his investment but a partial loss on a minor portion of the plane frequently means a total loss to the insurer.

The common method of handling this problem for the insurance companies is to add a "component parts endorsement" to the policy. This endorsement divides the amount of insurance into sections so that partial losses will be paid in proportion to their relation to the entire aircraft. Where the value of the component parts is not easily obtainable, some companies are using what amounts to a pro rata distribution clause in order to accomplish the same thing.

### Assured Doesn't Like It

Frequently a policyholder does not wish to accept such a clause because it makes him stand a considerable portion of any partial loss. The loss of a wing on a \$10,000 ship may cost several hundred dollars. If there is only \$100 allotted to the loss of a wing under the component parts endorsement, the insured has to stand the balance. There are a few of the war surplus planes for which parts are being made available by the government at prices nearly in the same proportion to their original cost as that of the entire plane to its original cost. Under these circumstances the component parts endorsement does not work the hardship on the insured that it does where he has to buy the parts at full price.

Windstorm losses continue to plague the insurance companies and it appears this will continue for several years. The February, 1946, storm in Ohio damaged a large number of planes which were on the ground, several of them at a concentration point for a manufacturer. These latter were new planes and about 20 of them were totally destroyed. The present situation arises partly because of inadequate hangar space at almost every airfield in the country. Building difficulties make it impossible for airport operators to relieve the shortage of hangar space, and "tie down" facili-

ties to prevent windstorm loss are rapidly assuming major proportions as an underwriting problem.

Insurance for airlines brings the problem of enormous values and high liability. Fifty-five and 58 passenger planes are becoming almost common, and the values run to fantastic figures. A million dollar fire loss is considered to be a conflagration and a major disaster to American cities and their insurance companies, but some of the new planes present a potential loss of a million dollars in a crash which might take only a few seconds time. The potential liability in a 50 passenger ship crash is enough to stagger any insurance market.

### Enormous Values

There are a couple of trends which should help to improve experience. The new civil air regulations indicate a healthy trend in the thinking of regulatory officials. It is no longer considered the function of the Civil Aeronautics Authority to protect the flying public against itself. The regulations are now aimed more to protect the public, and if the airman kills himself, that is his own hard luck. This puts squarely into the lap of the underwriters the problem of determining whether or not a risk is good. Formerly there was entirely too much of a tendency to "pass the buck" for satisfactory risks on to the CAA regulations.

Difficulty in obtaining repairs to aircraft hulls has been a serious problem during the war. The repair situation is beginning to improve as aircraft service operators get on to a peacetime footing.

Another helpful factor will be a stabilization of repair cost. Already Aeronca has sent to their dealers a flat rate manual for various repair and maintenance jobs. It is likely that other aircraft manufacturers will follow suit and will provide their dealers with flat rate manuals similar to those which have been common in the automobile field for many years. In addition to stabilizing the cost of repairs, these manuals will give the insurance adjuster something by which he can determine whether a repair charge is reasonable, or whether it is excessive.

Returning service pilots are not proving to be the problem which was anticipated. Most airport operators realize

the necessity for a check flight before landing or renting a plane to any pilot who has not previously flown at his field. The army or navy pilot with hundreds of hours in a big powerful plane cannot be expected to handle a light plane efficiently the first few minutes, but it does not take him long to catch on and a check flight in a light plane solves the problem satisfactorily. Good airports require check flights of any visitor to the field regardless of the experience indicated on his record. This has proved a satisfactory solution to the returning service pilot problem also. The check flight normally is but a single turn around the field.

### Demonstration of Flame-Proofing

NEW YORK—How canvas can be flame-proofed was demonstrated in a color and sound motion picture exhibited here for about 150 trade paper editors in the insurance, railroad, trucking, mining and maritime fields by W. L. Barrell Company, agents for Philadelphia Textile Finishers, inc. The process is the same as that used by the army for flame-proofing all its tents and other canvas equipment. Lack of flame-proofing was responsible for the destruction of the main tent of the Ringling Circus at Hartford two years ago and the great loss of life.

While flame-proofing of course does

not prevent canvas from being destroyed by fire, it renders the canvas incapable of supporting combustion. Thus, a blowtorch directed at flame-proofed canvas will carbonize the cotton at that point but the fire will not spread. The flame-proofing process takes place following weaving. While the process used by the army imparted a characteristic odor to the flame-proofed cloth because of impurities in the solvents, the compound used for civilian fabrics leaves no odor and can be used to give the cloth a variety of colors.

The film was shown at the recent annual meeting of the National Fire Protection Association.

## Drastic Increase in Cost of Home Building Cited

It costs 44% more to build a home today than in 1940; the house that could be built for \$5,000 in 1940 costs \$7,200 today, and will cost still more six months from now, according to a study by Northwestern National Life.

Questionnaire surveys have disclosed that four out of five veterans want homes costing \$6,000 or less. By shoddy construction, popularly known as jerrybuilding, a house can be thrown together for close to 15% less than the cost of good, sound construction; thus the house costing \$7,200 could be cut to just about \$6,000. Veterans and all prospective home buyers need to beware of a possible epidemic of jerrybuilding, the survey warns; the vast postwar home construction field is likely to attract a certain proportion of "slick" operators. Therefore the prospective buyer should deal with a well established, reputable concern, or at least be assured of expert inspection during construction, by the mortgage concern which finances the home.

### Average Rise Is 44.4%

Average rise in home-building costs in 26 principal U. S. cities since 1940 has been 44.4% according to the report.

Because further increases in wage costs and in material prices are expected within the next few months, bids now begin submitted by contractors usually contain an allowance to cover such anticipated increases, or else contain an "escape" clause permitting final sale price to be revised in accordance with any cost increases which may occur. Many building contractors refuse to bid under present circumstances, and operate only on a cost-plus basis when building on private contract. In general, contractors prefer to build groups of houses, to be sold when completed and costs are known, rather than build to order.

Both materials and labor costs rose rapidly after the first world war; total construction costs increased more than 40% from early 1919 to early 1920. Prospective home buyers suddenly went on strike and began cancelling projects wholesale; the building boom turned downward in August, 1919, and collapsed in early 1920. Price confusion held back residential construction until 1922 when the fabulous building boom of the '20s really got under way, the report recalls.

A certain proportion of prospective 1946 home builders will lay aside their plans, the report predicts, when they come face to face with the new level of postwar building costs, particularly those persons who have not shared in correspondingly large wage increases since 1940.

An added hazard is the postwar shortage of experienced building contractors, the report points out. A great many builders went into various war materials projects; many of them have converted their operations to the production of civilian items and are not returning to the building field. In some sections of the country not more than half of the prewar building contractors are still in operation.

It is estimated that more than a million families are living "doubled up" with other families, the report states. Today's rent ceilings are only 4% above 1940 levels and only 8% above rent levels of mid-1933. This tends to discourage construction of new apartment buildings, duplexes and rental housing, due to the disparity between prospective rental returns and the greatly increased costs of construction and of operation. Thus, relief for the situation is dependent mainly upon construction of individual homes, purchased and occupied by the owners, the study concludes.

Leaders in the field use the *Polymer Analysis Service*. Write the Accident and Health Bulletins, 420 E. 4th St. Cincinnati 2, O.

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## Fort Hill Plantation

LOCATED on the campus of the Clemson Agricultural College at Clemson, South Carolina, stands "Fort Hill," the plantation home of the celebrated John Caldwell Calhoun, Senator, Secretary of War, Secretary of State and Vice-President of the United States under two administrations.

The estate originally comprised some eleven hundred acres in the foothills of the Blue Ridge Mountains. When Mr. Calhoun purchased it in 1825, he made some very extensive alterations to the main structure. Among these are the columns on the three porches which are an outstanding feature of the house, for they are constructed of brick covered with plaster. An interesting tale in connection with the size of the mansion relates that it is due to the fact that Mrs. Calhoun added a room each time her husband left for an extended business trip.

The main house at Fort Hill was con-

structed for comfortable living rather than for display. It is situated on a slope overlooking the Seneca River and is surrounded with boxwood, cedars, and many rare trees, including a varnish tree that was sent from Madagascar by Stephen Decatur, a hemlock presented by Daniel Webster, and an arbor vitae donated by Henry Clay. Tradition states that Calhoun had the cedars planted in the belief that they would prevent malaria from being carried from the lowlands to the slope.

The furnishings of the house are, on the whole, those used by the Calhoun family during the statesman's lifetime. Outstanding among these is the famous "Constitution" sideboard which was presented to

quarters of the frigate Constitution before the destruction of the vessel was halted because of the overwhelming public sentiment aroused by Holmes's famous poem, "Old Ironsides." A massive state dining table and twelve matching chairs of solid mahogany, all made by Duncan Phyfe, are fitting companion pieces to the sideboard. Another museum piece in the collection is a priceless sofa with a huge carved eagle from which it is believed the eagle on the silver dollar was modeled.

Fort Hill, which is now a national shrine, is an appropriate monument to a man who was an outstanding advocate of State sovereignty, and who, in the words of Daniel Webster, was noted for his



John Caldwell Calhoun

Calhoun by Henry Clay as a tribute to the former's brilliant speech in defense of the Federal Constitution. The piece had been built for Clay from the mahogany paneling in the officers'

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The Duncan Phyfe furniture of the dining room

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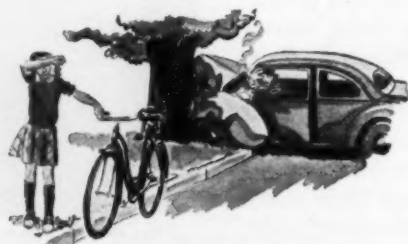
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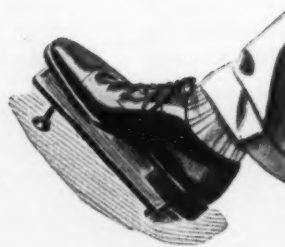
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